

CHAPTER - 1

CONSUMER DEFINITION AND ROLE, CONCEPT OF CONSUMER AND CONSUMER ECONOMICS

Introduction:

A good deal of human effort and intelligence must be applied for making the money income of the family to secure maximum availability of goods and services required for the satisfaction of needs and wants of family members now and in future. The ultimate purpose of all productive activity is consumption and satisfaction of human wants. In this context, the role of home maker as a marketing person for the family becomes more important. The welfare and happiness of the family is dependent on the person; who makes purchases for the family. Everyone who spends money income to buy goods and services from the market is a buyer.

Every buyer who makes the use of goods and services and uses them for their livelihood is a consumer. Thus a consumer is one who spends his money income to buy goods and services and uses to live in good physical and mental well being. In Consumer Protection Act, the word consumer has been defined separately for the purposes of goods and services.

Consumer: A consumer is a person or organization that uses or consumes economic services or commodities.

“The consumer is one who buys any goods for consumption which has been paid or promised, partially paid or partially promised or under any system of differed payment.”

For the purpose of services:

Definition: The consumer means a person belonging to the following category. “One who hires any services or services for consideration, which has been paid or promised or partly paid or partly promised or under any system of deferred payment.

Economics and marketing

A consumer is one that buys goods for consumption and not for the resale and commercial purpose. The consumer is an individual who pays some amount of money or the thing required to consume goods and services. As such, consumers play a vital role in the economic system of a nation. Without consumer demand, producers would lack one of the key motivations to produce: to sell to consumers. The consumer also forms part of the chain of distribution.

Recently in marketing instead of marketers generating broad demographic profiles and Fisio-graphic profiles of market segments, marketers have started to engage in personalised marketing, permission marketing, and mass customisation. Largely due to the rise of the Internet, consumers are shifting more and more towards becoming prosumer, consumers who are also producers (often of information and media on the social web), influence the products created (e.g. by customization, crowd funding or publishing their preferences), actively participate in the production process, or use interactive products.

Categories of Consumer

Three categories of consumers have been identified in the context of the modern business environment.

- ✓ Firstly the producer- Consumer is one who manages to make enough money on the products he produces and sells, enabling him to buy anything he wishes to use at any price.
- ✓ Secondly the sole consumer who is also known as consumer. Consumer who is mainly represented by the salaried classes with limited resources available for

consumer goods and services. Class of consumers also include a very large segment of non literate consumers, who are ignorant or frustrated by their inability to get even essential services in time for survival.

- ✓ Thirdly the rural consumer who is completely unaware of the happenings around him. He tries to survive with whatever he can produce or buy. He is often unable even to afford the basic necessities of life for his family.

Importance of Consumer:

Consumer is the key factor in influencing the market activities. Market activities revolve around the consumer as an individual or as a member of a group in a society. Consumers spend crores of rupees every day to meet their requirements. Seller receives income and they in turn buy goods from the producers. Therefore the economic activities are continued due to the consumers demand for goods and services. Consumers buy goods from retail stores. The retail stores buy supplies from wholesalers. The wholesalers use this money to get supplies from producers and processors. Consumers also pay taxes to the government. The surplus income of the consumers is deposited in the banks as savings. Thus the consumers play some important roles as

- **Earner of money**
- **Spender of money**
- **Saver of money**
- **Investor of money and tax payer**

For meeting his expenditures for the above purpose the consumer receives money or income as wages, rents, interests, profits and social security. Payment like pension etc. thus the economy revolved round the consumer.

Role of Consumer:

Every rupee spent by the consumer shows his desire for consuming goods on which he or she is spending the money. By spending money consumer creates demand for various

goods and services in the market. The producer produces the goods to meet the demand of the consumer.

The consumer has an important function of spending his income wisely and being a rational consumer. It is said that, the consumer is the king of the market or economy. But with the development of industry and technology, the consumers have lost their importance of being the dictator of production. The producers and sellers have become stronger in the market these days. To play the role efficiently, the consumer must be a rational consumer. He must overcome impulsive purchasing habits, must not be influenced by customs, tradition, fashion, advertisements, imitations etc. while buying the goods and services. The consumer must buy for the needs of the family within the family income.

This means he/ she must have adequate knowledge of the quality of goods, services and the places where the goods are available. To be a good consumer one must educate themselves about, the market, market systems, family status, needs and satisfaction of family etc.

CHAPTER-2

MARKETING AND MERCHANDISING- TYPE OF MARKETS, DEFINITION AND IMPORTANCE OF MERCHANDISING

Introduction:

Consumers are mainly involved in direct purchase of goods and services for the family and household consumption. Hence they mostly transact in retail markets. Many kinds of outlets are used in presenting goods and services to the consumer. Such outlets include wholesale and retail shops, cooperatives and specialty stores, convenience stores, variety stores, department stores and discount stores etc.

Types of Consumer market:

- ✓ **Whole sale outlets:** Wholesale outlets consist of shops and sellers who present goods in large quantities. Whole sale shops sell goods in large quantities like dozens, hundreds or in quintals etc depending upon the nature of the products and packages. The sellers in wholesale markets buy goods directly from farmers or from manufacturers. Food items are brought straight from farms and the farmers themselves retail them in the market. The prices of such items are less since no middle man is involved. The quality of such goods are also good as they are brought straight to the market without storing.
- ✓ **Retail stores:** The sellers in the retail stores buy the goods from the whole sales and add their margin of profit before selling the same to the consumers. Price of goods in retail stores is higher than the whole sale price. However the consumer can buy in small and needed quantity without the problem of transporting.
- ✓ **Co-operatives:** This is retail out let, owned and run by consumers. A group of consumers form a registered society. It runs the store which is known as consumer co operative store. Individual consumers become members of the society and buy

its shares which pays dividend to share holders. The society conducts the business and sells goods at a profit margin. The prices are lower than the goods at retail shops.

- ✓ **State Emporia:** These outlets sell goods to consumers. The product ranges include household items, clothes, jewellery, crafts and decorative items. The products sold by the state emporia are of high quality and at reasonable prices. There is no scope for duplicate goods being sold as the state takes the responsibility of procuring and selling genuine goods for instance handloom house.
- ✓ **Speciality stores:** These stores deal in particular line of products. Such products line includes health, food, drugs, ready made goods, foot wear etc. These sellers have specialized knowledge about the products. Hence they have an edge over departmental stores and other competitors. Consumers find such stores easy as they are not very large.
- ✓ **Convenience stores:** These stores offer large variety reasonably priced goods ranging from stationery, gift items, toiletries, light, household goods, confectionary and some provisions. They deal in almost every item a person or a family may need for everyday living.
- ✓ **Department stores:** This is a retail unit. It sometimes runs across many floors of a building. Department stores offer practically everything from needle onwards. The stores are organized in departments for food, crockery, clothing, books and stationery etc. These stores conduct their business on self help basis of services though shop assistance is available when required.
- ✓ **Discount stores:** These stores have a low operating cost ratio about 10 per cent lower than those of departmental stores. They are variety stores. The lower costs of these stores is mainly due to their location in areas where rents and other costs are low , like labour cost and low cost buying in large volume from manufacturers.

- ✓ **Door to door selling:** This type of selling is also known as mobile vending. It is an age old practice in India which exists even today. This practice has lower overhead costs and is very effective also. It is cost saving and time saving products are selected at the door of the buyer himself. Buyer need not waste time in going to market products sold through this practice include bed sheets, table linen, cosmetics, detergents, appliances like vacuum cleaner and water purifiers , dairy products news papers carpets etc.
- ✓ **Vending machines:** These include coin operated machines which are fixed at certain locations for the automatic supply of beverage including milk, tea, coffee and cold drinks.
- ✓ **Selling by phone:** The practice of selling through home delivery is becoming common. Here consumers can order their requirements by phone and get them delivered at home free of charge, the bills come with the goods and they are paid after inspection of the items ordered. Items which are not acceptable can be returned and the bill is adjusted accordingly.
- ✓ **Mail/Order/on-line selling:** This type of selling has started in India in recent years. This type of selling operates through detailed color catalogues providing pictorial designs and shades in which an item is available. They bear code numbers and price per each unit. Orders are sent through price plus postages pre paid by post.

However this system has disadvantage that the product cannot be seen or tried before the final purchase. More over the instruction given on the products can be followed only by literate consumers who can benefit from such sources

- ✓ **Black marketing:**

This form of selling exists through deliberate creation of strength of products in the market. Strategies are created through hoarding. Sellers offer goods in small quantities at exorbitant prices. For example, Cinema Tickets are sold in black

market. This practice is illegal. However such black marketing is found in certain cases. Consumers have to become aware of such illegal practices through consumer movement.

Merchandising: Any practice which contributes to the sale of products to a retail consumer. Merchandising refers to the variety of products available for sale and the display of those products in such a way that it stimulates interest and entices customers to make a purchase.

Importance of merchandising:

Merchandising seems simple on the surface but it's more of a science than an art. The primary importance of merchandising is to clearly display products so they are easy to find. The more products displayed, the more complex the process.

What is Merchandising?

Merchandising is everything you do to promote and sell your goods once the customer is in the store. Have you ever walked through a grocery store or big box retail chain and noticed that everything is laid out in a specific place? That's merchandising. The store has deliberately placed certain products in a certain position to catch the eye of consumers and convert to a sale. This creates some serious brand competition for prime shelf space.

On the other hand, many consumers are seeking a specific product and the store must make those products easy to find. If consumers are not finding the products they desire, they will shop elsewhere. This means merchandising must show the customer the products they desire while making a variety of products easy to locate. All of this and you still must push to drive the sale and conversion.

Product merchandising at the point of sale is growing rather than declining in importance within product marketing strategies and tactics, as part of the marketing communications mix, for several reasons.

- ✓ It is becoming increasingly difficult for marketing-led manufacturers to communicate with their consumers away from the point-of-sale. Conversely, retailers and trade distributors are playing an increasingly influential role in the marketing mix.
- ✓ The company that invests heavily in advertising its brands to create interest and imagery finds its messages, together with the spend, are lost if they are not endorsed at the point-of-sale where the consumers have the choice to make their selection.
- ✓ The supply of product does not end with gaining distribution or even displays; more importantly it is the quality of the display versus the competition. This is a sales force function.
- ✓ Brand proliferation has caused an oversubscribing space.

CHAPTER-3

CONSUMER PROBLEMS IN RURAL AND URBAN AREAS, UNFAIR TRADE PRACTICES, ADULTERATION, FAULTY WEIGHTS AND MEASURES

Introduction

Consumers face a number of problems of unfair trade practices in their day to day dealings. Their problems are related to traders and various organizations involved in supplying goods and services. These problems may be the results of

- Scarcity of goods and services
- Varying incomes
- Product development
- Environmental changes or
- Social structure

The problems of the consumers are encountered in markets, banks, government and private offices, hospitals, schools, public distribution agencies etc. The problems of consumers are broadly divided into

- Problems related to products and
- Problems related to services

The following discussion provides the details of these two types of problems.

A. Problems Related To Products

Products related problems of consumer are with prices, quality and weights or volumes of products available in the market. A detailed discussion of the various problems of consumers related to products is discussed here.

1. Lack of Safety and Quality Control Regulations:

Many of the household appliances like electrical and mechanical devices are sold in the market. Defective functioning of these equipments may cause injuries or even death due to shock, fire and other accidents while using them. Some items are included in the electrical appliances quality control order. However a number of other items do not have any quality specifications. They are freely available in the market. The consumers buy and make use of them. This is a major problem.

2. **Adulteration**

Adulterated goods are sold to consumers with a view to make illegal profits. Adulteration takes place when cheap substances are added to or good part of the product is removed. By adding, the quality of the goods is altered such type of adulteration is a form of cheating by the sellers. Adulteration is done in case of food items, building materials, textiles, stationary etc. Adulterated food items are injurious to the health of the consumers. Other items where adulterations take place are paints, cement, synthetic fibers, milk, spices etc. Government agencies have been set up to help consumers to get products tested in laboratories.

3. **Imitation Manufactures**

Goods with imitation brands or names are sold in the market giving the impression that they are from popular standard manufacturers. They are actually substandard goods. Imitating is a deliberate malpractice and amounts to cheating consumers. Such practices are found with consumer goods like shoes, soaps, medicines, cosmetics etc. Many consumers suffer from this problem because they are ignorant or have faith in sales man or they lack information.

4. **Incorrect Weights And Measures**

Sellers of consumer goods are sometimes found to use incorrect weights and measures. Deliberate use of less than standard weights and measures are made to cheat consumers or buyers. Thus the consumers get less or pay more for the under weighed

articles. Measures are sometimes found deceptive in case of oils, milk and other liquids sold to consumers in limited quantities. Even items like cloths too can be measured less while selling to the buyers. Buyers are made to pay more for the reduced quality of articles. Government has taken measures to control such malpractices through inspections by officers. The standard weights and measures Act 1976 and other rules are enacted by the government in this direction.

5. Deceptive Goods

Manufactures place variety of goods which are deceptive in their appearance and the consumers are made to believe that the goods are genuine. Some goods like rayon or polyester fabrics are made to look like silk and the consumer is duped by the merchants who impress upon the buyers that they are genuine silk. House wife may not be aware of the genuine goods needed for the family so she may buy the deceptive goods without verifying its quality. This is a genuine problem of the consumers.

6. Misleading Advertisements

Advertisement is not quite informative. They are mainly focused on the goods and services that are made available in the market. They are of a general and routine type. Many of the advertisements do not give the needed information about the product; its use, quality, maintenance care etc. As a medium of communication advertisements should give all the information to the consumer. Advertising is perhaps the most wide spread medium of communication between the procedure and consumer. Advertising should therefore be a most helpful tool to the consumer or buyer. Advertisements generally talk of the uses of a product in bold letters, but not its limitations, if any, even the statutory warnings like for example “cigarette smoking is injurious to health” are put in small letters in an inconspicuous manner in the advertisements, which generally goes unnoticed. For the consumer to understand

clearly that the manufacturer is only trying to accomplish the sale of his product rather than inform the buyer about the quality of his product or any possible limitations in its use.

The consumer must seek on his own, information about the quality of the product in terms of style, color, weight, shape, size, stability and its care and maintenance and not restrict himself to information only on its economic aspects before he buys.

7. Incomplete Labels

Labels are attached to a product informing the consumers about the product details like the quality, quantity, net weight, and measurer unit of the product etc have to be printed on the labels. Sometimes it shows nothing more than the name of the product and the manufacturer, whose address may or may not be mentioned for future correspondence or complaints. In many cases they are deceptive and misleading. Most of the labels often fail to give a perceptive buyer essential information he would need in order to make an intelligent selection. The manufacturers more often use colorful and attractive labels to attract attention. In such cases, the label is not a reliable guide about its quality or as evidence of an assurance of quality. Most of the consumers are not highly educated and less experienced to follow the varied and glamorous terms that are popularly used to designate various things or qualities in an article.

8. Deceptive Packaging

Packaging is done to protect the products from breakage, contamination, evaporation, pilferage etc. However many sellers use such packaging materials which will add to the weight of the packaged good so that the actual product weight less to that extent and the consumer is duped. Items like soaps, toothpaste, creams are packaged like this. Packaged goods bear the printed weights of the product however the actual weight is less than the information on the package. From the seller's point of view, packaging is a sales tool.

9. **Prices**

Every consumer expects that products are made available to him at reasonable prices. At times he does not mind paying a little extra for better quality and service. Prices are determined by a number of factors such as government policy, shortages, ignorance of buyers, delivery systems, quality, market locations, overhead expenses of the seller and the quality of services provided. High prices are related to genuine reasons like high costs of production and distribution and high sales taxes etc. However consumers come across situations where sellers try to exploit them without any genuine reasons. Such situations of high prices pose a problem to consumers.

10. **Substandard Quality**

Markets are flooded with products of different sizes and qualities. The consumer finds it difficult to choose with confidence where spurious spare parts of equipment, liquor and adulterated foods abound. Apart from defrauding consumers the products of substandard quality pose safety problem to them. Examples are pressure cookers, electrical appliances, plugs and sockets, geysers, shampoos, helmets and gas regulators etc.

11. **Unfair Warranties**

Consumers are not familiar with terms and implications of terms like guarantees and warranty. The terms of warranties are confusing and ambiguous and are favorable to manufactures. There are no regulations to govern these warranties. Some warranties cover only the first user/buyer. The manufacturers absolve their liability towards the second or subsequent user or buyers. Some manufactures provide spare parts but charge service charges from the consumer. Some manufacturers use the term “guarantee” for a fixed period, say one year and repair defective goods and charge the defective parts free of cost. The terms warranty and guarantee appear synonymous and the sellers exploit the situation.

12. Sale Gimmicks

Manufacturers indulge in some sale gimmicks by way of sale promotion measures viz

- a. Large scale advertisements
- b. Free gifts
- c. Discount sales

These problems measures appear to be extra benefits to the consumers. However the costs of these “**benefits**” are actually passed on to the consumers without their awareness about this. The cost of advertisements, free gifts, discounts etc are added to the price of the product. The consumers buy these products being unaware of these sale gimmicks of the manufacturers.

13. Dishonest Vending

There is no way a consumer can know what to pay for a product, unless vendors display prices clearly or the government/ voluntary organizations print a list in the press/ in consumer magazines.

14. Black Marketing And Hoarding [Nature Of Markets]

Artificial scarcity of consumer goods is created by merchants to make illegitimate earnings. They resort to hoarding and black marketing of goods at exorbitant price thus causing great hardship to the consumers or buyers. They get extra profit by hoarding of the goods and create scarcity. Then they sell the hoarded goods in black markets at very high price. Generally food items like sugar and food grains are the items which are sold in black market. This is one of the frequently faced problems of the consumers.

15. Conspicuous Consumption

Indian consumers are in the habit of spending lot of money on occasions such as birth, weddings, and festivals etc. as a part of family or social tradition and conventions.

When they do not have enough money to spend, they resort to borrowing even if the interest charged is high. At times some properties like land, house, jewellery etc are mortgaged as security to obtain credit. In rural areas specifically, the credit facilities are limited to private money lenders or pawn brokers who charge a very high interest and ultimately intimidate the borrowers to surrender their assets and even force them to become bonded if money is not returned in time. Lack of proper credit facilities and absence of fair lending regulations has driven families belonging to economically weaker sections of the society to fall an easy prey to these money lenders. This problem can only be solved by creation of organized credit facilities and introducing poverty alleviation schemes or spread of education among the poor in the society.

B. Service Related Problems

Provision of services to customers/consumers includes;

- Financial institutions
- Airlines and travel agencies
- Banks
- Builders
- Education
- Public distribution services etc

The consumers/customers have faced problems while dealing with these services; the same have been discussed here.

1. Financial Institutions

All financial institutions including banks render financial services to the consumers. The main problem relating to the financial services relate to lack of cordiality towards the customer. The staff manning these services is found to be rule minded, unhelpful and non-cooperative. These organizations do not keep records of the customers

properly. Wrong entries miss-spelt named and even absence of entries of deposits etc are common.

2. Air Lines and Travel Agencies

These agencies are expected to provide good services to customers and make their journey easy and comfortable. However these agencies are found to be indifferent to the concerns of the customers even though they charge huge sums as service charges. Tickets are sold without proper reservation arrangements or confirmation sometimes only partial reservation are made through they take full payment reservations are made in different compartments for the same family members or groups causing inconvenience to the members travelling together. Air lines sometimes cancel the tickets or delay or reschedule the flights without prior intimation to the customers.

3. **Banks:** Customers of the banks face different kind of problems while dealing with bank officials.

- a. Insistence on large amount of deposits for providing safe deposits lockers.
- b. Lack of courtesy with account holders.
- c. Delays in encashing cheque.
- d. Absence of teller system

Bankers are always in a better position to explain the reasons for the legislative discrepancies in their operation, when the customer is to file a complaint. The customers therefore humbly comply with what they are asked to do, because they do not know, their own rights or the rules concerning the services.

4. Education

Schools and colleges have been insisting on payment of huge amount money for admission of students. They demand money on different pretexts like “building funds” etc. Students face problems like shortage of space in class room, staff shortage lack of

hygiene, lack of proper toilet and wash room facilities, poor canteen services, lack of laboratories and equipments, students are afraid to complain about these for fear of harassment/rustication.

The problem of providing technical education to children in some state of the country is a really serious one. The system of “capitation fee” in engineering and medical colleges has frustrated many parents and students. Besides such fee running into lakhs of rupees, the basic infrastructural facilities are not provided.

5. **Builders:**

A deficiency in the definition of the word “service” in the consumer protection Act, 1986 has been exploited to the fullest by building companies and individual builders. They have challenged the jurisdiction of consumer courts on entertaining complaints pertaining to housing, and getting an interim stay in the implementation of consumer court orders on the subject.

6. **Public Distribution Services:** These services include,

- Cooking gas
- Communications
- Water and electricity supply
- Medical and hospital services
- Municipal services

All these services are partly or wholly government owned and efficiency varies widely leading to problems for consumers. These problems are discussed briefly here.

1. **Cooking Gas**

The supply of cooking gas is erratic and inefficient. Long waiting lists are very common. The dealers indulge in delivering half used cylinder and supply non-standard leaky equipments. Servicing of the gas dealers is found poor.

2. Communications

1. Post and telegraph:

People face shortage of postage stamps, post cards; covers etc. Delays in money orders reaching the payee are common creating lot of inconveniences. Customers find it difficult to locate counters for speed posts, couriers' etc. Telegram system has changed to phonogram, telexes and fax systems for sending messages but these services are available at certain post offices only.

2. Telephone:

Telephone services also pose grave problems for customers. The most common problems relating to telephone services are

- Excessive phone bills
- Cross connections
- Non listing of names in the telephone directories or wrong address and wrong telephone numbers
- Deadlines and frequent repairs when urgent Calls are to be made
- Lack of prompt actions after receiving complaints.

3. Water And Electricity

The problems faced by consumers relate to frequent disruption in supply of electricity and water without prior notice to consumers.

Non receipt of water and electricity bills in time

Over charges on supplies of water and electricity incorporating the previous bill amount even after the payments are made.

4. Medical And Hospital Services

The following problems of consumers are indicated

- Negligence of medical and paramedical staff causing death of patients in the hospitals.
- Inadequate facilities and nursing staff in government and private hospitals.
- Excess charges by private hospitals.
- Non qualified quacks are found practicing in the medical profession causing serious problems to patients.
- Delay in admitting emergency cases in government and private hospitals.

5. Municipal services

Problems in these services related to

- Inefficiency of the staff like garbage collection and disposal, maintaining cleanliness and safety of parts, roads, public vest rooms and toilets etc.
- Increased rates on these services.

All these problems have become rampant and common in cities and towns. The consumers have been experiencing such problems despite complaints by individuals and by social organization. Therefore consumers themselves alone can alleviate these by becoming aware of the services and aids available to them and use that knowledge to solve their problems. The only hope for consumers is to educate themselves as much as possible about the quality characteristics, prices, utility, latest technology and research related to products and services, which use, and try to make consider choices, self help is

the only way to relatively problem free life, in an environment flooded with products, pollution, conflicting views through advertisements, technology etc.

CHAPTER-4

CONSUMER RIGHTS AND RESPONSIBILITIES

Now- a- days it has become very difficult for the consumer to make an effective choice because of the large variety of goods and services available in the market. Further a consumer is constantly exploited by the seller, traders and producers through unfair and unethical practices adopted in the market. Food adulteration, short weighments, hoardings, black marketing, fluctuation in prices and misleading advertisements are some of the problem faced by every consumer. To minimize consumer exploitation and to protect the consumers from market malpractices, certain rights are given to the consumers.

Consumer Rights: Consumer possesses some rights for getting right type of goods of right quality and at right price. USA is the first country to recognize four basic rights and it was John. F. Kennedy, the then president of USA who defined the right on 15th march 1962 in his special message to the congress on consumer protection. The four basic rights declared were

- Right to safety
- Right to choose
- Right to be heard
- Right to information

15th March is celebrated as consumer Rights day

In India in *1968*, the Consumer Protection Act was passed. It enlisted five rights. Then again the Consumer Unity and Trust society (cuts) Kolkata in one of its publications enlisted *10* rights as detailed below.

The Basic Rights of Consumers are:

1. **Right to Safety:** This right of consumer implies that consumer must be protected against hazardous effects that may be caused due to health or life of the consumers. It means the right to be protected against goods, products, production services and environment which are highly dangerous to health and life i.e. safe water, air, food and other environmental protection should be provided. Safety is not only for the individual, but also for the community at large. The right to safety has been broadening to include the concern for consumer's long term interest, not only their immediate desires.

2. **Right to Be Informed:** The consumer must be safeguarded from malpractices of tradesman and their misleading messages through various advertisement media and labeling. Whenever a consumer asks for the product or services, he expects some information about the products and the details of the services. Therefore all the transactions of buying for enjoying goods and services from the seller involve furnishing information.

The information relates to the physical properties or the functions of the article or services and the legal implications of the transactions. Knowledge of all such information is helpful in the selection as well use of the products. The relevant information helps in safeguarding the interest of the consumer. E.g.; a consumer who buys electrical equipment, would like to have information on its price, its quality, size, voltage, wattage instructions and precautions to be taken while handling the equipment.

3. **The Right to Choose:** The consumer must have the right to choose the product and its contents which he wants. He should be free to choose from the variety of goods that are available and the quality of goods that gives him satisfaction. He must have the right to choose the goods at right and rational price.

4. **Right to Be Heard:** It is one of the first principles of Justice. This right assumes a significant place in law whenever there is a case of dispute against any individual in the society. This means the right to represent so that consumer's interests receive full and sympathetic consideration against exploitative elements in the society. Whenever a seller sells goods to a consumer or renders services to the consumer it becomes duty of seller to give patient hearing to the problems of a consumer.
5. **Right to Redressal:** Every consumer has the right to a fair settlement of just claims. It involves the right to receive compensation for wrong goods or services. Redressal is the natural follow up of hearing to complaint and making a settlement in a manner that is acceptable to the consumer as well as to the seller. This is in continuation to the right to be heard. (This right has been generally accepted since early 1970's).
6. **Right to Consumer Education:** It refers to every person right to acquire knowledge and skills for being an informed consumer. So that he is able to make an enlightened and wise decisions while he purchases goods or services. The right to consumer education means preparing an individual to solve his problems as a consumer.

Through consumer education, the consumer receives general education regarding consumer rights, laws and philosophy of consumer protection and understanding his roles and responsibilities as a consumer in the market. The consumer is the focal point of all activities of the nation's economy. Hence he should be given all information about price conditions, quality of goods and other details of marketing.

7. **Right to Healthy Environment:** It is the birth right if every individual in the society to have a clean typical environment that will enhance the quality of life. This right calls for use to protect and improve the environment; for the present and future generations. It is important that the consumer is allowed to enjoy, safe and protected environment. A strong consumer movement will provide a platform to achieve this

right of consumer in the real terms. The consumer must have every right to live in a clean atmosphere and area for a happy, healthy and long life.

8. **Right to Have Knowledge Of Consumerism:** The idea of consumerism starts from the consumption and the consumption priorities are laid on the fulfillment of the basic needs of an individual. This right implies that consumer has every right to lead a normal life in the society as an individual.
9. **Right to Opportunities:** Every individual in a society wants to lead a decent life. For attaining this, his basic needs should be satisfied. So that he would be in a position to work and earn his living without being exploited. Among the wide variety, opportunities available in a modern society, the consumer has the right to choose one of his interests. Consumer exploitation can be curbed only through consumer resistance and self understanding.
10. **Right to Redressal:** The consumer must have a right to file a case against salesman/businessmen, when there is a complaint against a product.

Consumer Responsibilities

Where there are rights, there are responsibilities. The primary responsibility of consumer is to be aware of their roles and function in the economy and perform it effectively. This requires knowledge and training of consumerism. The consumer should never encourage wastage of the resources and should always be honest in his dealings. He should protest the injustice in consumerism. It is therefore very important to shoulder his responsibilities first and use his rights next. To be effective while exercising his rights, every consumer should behave in a responsible manner. Consumer has to follow certain discipline to safe guard his interest in his buying functions.

The Following Suggestions Indicate his Responsibilities:

1. The consumer should obtain and use information regarding all kinds of purchase.
2. The consumer should always plan his purchasing and should make up his mind as what exactly he wants to purchase.
3. All buying decisions should be made by the consumer himself, he should not be influenced by the people around like friends, relatives etc or the seller or advertisements.
4. It is also the responsibility of the consumer to make all his purchase himself.
5. Before making the purchases or accepting the services the consumer should obtain the information in detail about product or service.
6. The consumer should know that, “wise” buying decision would raise the standards of products in market.
7. Every consumer should keep the receipts and relevant documents safely for future reference.
8. The consumer should behave honestly. He should not misuse his rights to exploit the seller.
9. A consumer should not only show interest in his claims but also be willing to shoulder responsibility of the claims of his fellow consumers. He should join hands with others when he finds that another consumer is being cheated for injustice.
10. The consumer should point out the seller’s mistake at the same point itself. If it does not work, then he should take further actions.
11. The consumer should never encourage black marketing and hoardings.
12. The consumer has the responsibility to conserve the natural resources and environment.

13.It is the responsibility of the consumer not to pollute the environment while disposing of waste materials.

14.The consumer should try to buy and use the eco-friendly products.

15.It is the responsibility of the consumer to determine what goods and services will give us the greatest advantage and decide how to choose, obtain and use these goods and services to the greatest advantage.

It is the collective responsibility of the consumer, producer and the Government to weigh the real cost of all their decisions because these decisions are likely to ultimate status of the economy of the country. A consumer is responsible in making economical decisions as

- A consumer
- A worker
- A citizen

As a consumer he is concerned with obtaining and using the economic goods and services that will satisfy his wants. As a worker he attempts to earn an income that would provide him with an opportunity to satisfy his wants. As a citizen he has a vital role to play in the economic decisions that are made for the nation as a whole.

CHAPTER-5

CONSUMERISM AND CONSUMER PROTECTION, HISTORY OF CONSUMER MOVEMENT IN THE DEVELOPMENT AND DEVELOPING COUNTRIES, GROWTH OF CONSUMERISM, CONSUMER PROTECTION ACT AND GOVT. LEGISLATION AND ORDER.

Consumer movement has become very common in the present day market scenario. Consumer movement has become necessary to safe guard the interest of consumer who are subjected to exploitation by the business men through various methods like high prices, adulteration of consumer goods, under weighing, selling substandard goods etc. Common people lack information about the products quality price, traders malpractices, government measures to protect consumers, consumers rights etc.

Hence consumers associations are formed to help consumers in protecting them from exploitation by providing them necessary information and through collective agitation etc.

Concept of Consumer Movement:

Consumer movement is a collective power of consumers to take a country forward with respect to awareness education and development. Consumer movement attempts to improve the quality of living of the people, determine the degree of development in a country. According to an estimate, consumers in India are cheated to an extent of Rs 2000 crores, which operates at 2 levels. Firstly at the level of manufacturing and secondly at the level of trading. Consumer exploitation takes place through adulteration, under weight, faulty weights, raised prices, hoarding, and through corruption. Moreover consumer is subjected to sale of hazardous toys, foods, drugs and appliances without due regard to their safety. Many times consumers are also cheated about the

quality, quantity, durability and prices of the goods. If consumers are not organized then, those who suffer may not get the relief. The Consumer Movement is Basically Related to

- Testing of consumer goods
- Evaluating services offered
- Acting as a source and clearing house of information
- Promoting the formation and development of new consumer organizations
- Providing advice
- Holding of seminars
- Rendering of practical assistance in consumer protection and
- Consumer education.

Objectives of Consumer Movement:

Consumer movement is a social movement which seeks to enhance the economic well-being and bargaining power of consumers. The movement has enjoyed public support in many countries. It has maintained continuous presence in the Political field.

Consumer Movement has the following objectives:

Product safety: Consumer movement aims at removing hazardous products, deceptive sales practices, and consumer exploitation from the market. Consumers are indirectly affected when they purchase and use hazardous products which are likely to affect their safety. Consumers are deceived when substandard or defective goods are sold to them.

Solution to consumer problem: Consumer movement relates to solving of problems of consumers through interaction with the government to bring about appropriate, new or amended regulations or for ensuring compliance from manufacturers and for imposing penalties for violations.

Providing consumer information: Consumers need to be informed about the laws enacted by government. Consumers must be informed about the products – price, quality, handling instructions, after sales service etc. Consumers need to be informed about safety measures and dangers to life etc to be followed while using a product.

Ralph Nadar was the father of consumer movement. The consumer movement first started in America in 1900. *John.F Kennady*, the then president of America declared four rights to the consumers on *15 March 1962*. They are-

1. Right to safety
2. Right to choose
3. Right to information
4. Right to Theory

Consumer Movement in India:

In India, the first consumer organization was formed by Shri.R.R.Dalavi in 1949 in Madras. At present there are more than 60 bodies spread all over India; voluntary organization like consumer research station at Ahmadabad. A formal organization for consumer movement was the Consumer Protection Council formed in Madras under the patronage of C.Rajgopalachari. Voluntary organizations in the interest of consumer education New Delhi, central citizen's forum Kanpur, consumer forum of Udupi are in forefront of consumer movements. Consumer Guidance Society of India (CGSI) was formed in Bombay in 1956 by some housewives and social works. From late 60s voluntary groups started working for the rights of the consumers. Most of them were dealing with local issues. Consumer movement gathered momentum with the setting up of National Consumer Protection Council. The Council's major functions include

- Collection of information regarding consumer problems.

- Assist state government in the consumer movement.
- Examine consumer grievances.
- Institute remedial measures and
- Promote equitable distribution.

Legal support for consumer movement

Several legislations have been enacted for safeguarding consumer interests like The Essential Commodities Act 1955. The Act was amended in 1974. The Act governs the production, procurement, supply and distribution of all notified essential commodities. The amendment ensures quicker and more effective action against the antisocial activities of profiteers, hoarders and black marketers. Amendments were made to Standards of Weights and Measures Act 1976 to safeguard consumer interests against unfair trade practices like short weighing, misleading information on packed goods etc. Under the Monopolies and Restrictive Trade Practices Act 1969, consumer associations could complain to the commission set up under the Act with regard to artificial shortages manipulated high prices of essential commodities, deterioration in quality etc. The Government made it obligatory for traders to display prices and stocks of essential commodities and other items of mass consumption in 1975. The Government issued the packed commodities (Regulation) order in 1975 making it mandatory to appraise the consumers of the content, weight, price, date of manufacturers etc in case of packed goods. The India Consumer Union was registered in New Delhi 1977 for fighting against the spiraling prices. In 1979 the Consumer Education and Research Centre (CERC) was formed in Ahmadabad. Government of India has promulgated a number of Acts. Among these the notable one was the Consumer Protection Act 1986. The Act provides for establishment of consumer protection council at state and central levels for promoting and protecting the rights of consumers. The Information and Technology Act 2000 and

the rules made there under help to regulate the electronic communications, trade and commerce and prevent computer crime.

Voluntary and Other Organizations for Consumer Movement:

Various Acts and legislations passed by the Government are a boon to the consumers' organizations; have been playing very useful roles for the protection of consumer interests.

Industrial organizations like Confederation of Indian Industries (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) etc are making efforts to create awareness among corporate sector on product quality and customer care. Some industrial units have started the practice of selling directly to consumers. Some leading consumer activities have setup Consumer Coordination Council (CCC) body on issues relating to consumer interests and policies affecting them. This organization works as

- A common platform to high light consumer problems.
- To organize seminars, conferences, lectures and meetings for discussion on various consumer issues.
- To sponsor research and survey as well as study circles on consumer education.
- To publish information and books for increasing consumer awareness. The CCC launched the Citizen's Charter Campaign in 1996. Confederation of Indian Consumer Organization was formed in 1991. Most of the consumer organizations all over the country joined together to form a National Consumer Organization.

With more and more consumer organizations joining together to form larger confederations it is hoped that the consumer movement in India will gather movement to tackle consumer problems. Large organizations like Bajaj Electrical, SBI, Indane Gas etc

have started conference of their consumers in order to deal with their problems. In India consumer movement is still in its infancy with its activities confined mainly to cities.

The movement is gaining attention.

- 15th March is observed as World Consumer Rights Day at international level.
- 20th December is observed as National Consumer Day in India.

More attention is given now a day to find ways and means to solve consumer problems. Consumer movement is not confined to India alone. It is a global phenomenon. A new organization called Consumers International (CI) is formed. It was formerly known as International Organization of Consumer Unions (IOCU). Indian Consumer Protection Programme (ICPP) was set up in Pune in 1999. It acts as a link between CI and concerned **government agencies, NGOs, mass media etc.**

“CONSUMER PROTECTION ACT”

We all are consumers in one form or another. But in the present socio economic scenario we find that the consumer is a victim of many unfair and unethical tactics adopted in the market place.

The untrained consumer is no match for the businessman marketing goods and services on an organized basis and by trained professionals. He is very often cheated in the quality, quantity and price of the goods or services. The consumer who was once the “king of the market” has become the victim of it. The modern economic industrial and social developments have made the notion of “**freedom of contract**” largely a matter of fiction and an empty slogan so far as many consumers are concerned. With globalization and development in the International Trade and Commerce, there has been substantial increase of business and trade, which resulted in a variety of consumer goods and services to cater to the needs of the consumers. In recent years, there has been a greater public concern over the consumer protection issues all over the world. Taking into account the interest and needs of the consumers in all countries, particularly those in

developing countries, the consumer protection measures should essentially be concerned with

- (i) The protection from hazards to health and safety;
- (ii) The promotion and protection of economic interests;
- (iii) Access to adequate information;
- (iv) Control on misleading advertisements and deceptive representation;
- (v) Consumer education and
- (vi) Effective consumer redressal.

The consumer deserves to get what he pays for in real quantity and true quality. In every society,

consumer remains the centre of gravity of all business and industrial activity. He needs protection from the manufacturer, producer, supplier, wholesaler and retailer. In the early law, the doctrine of caveat emptor (let the buyer beware) was consuming public. Many corporations today have a department of consumer affairs. Product liability suits are already a part of tort law but the situation in India is altogether different. The consumers are confronted invariably with the non-availability of effective and speedy machinery for redressal of their grievances in the marketplace. It is imperative to consider consumers' problems and their scope and nature of grievances. However some remedies can be suggested which the consumers confront various kinds of problems in the market place which have serious repercussions on their self-respect, self image and also on their decision making processes. The consumer often experience in the market place frustration and sometimes humiliation too, due to the arrogant behavior of the sellers, which is the product of the prevailing scarcity conditions of articles and cancerous tendency of hoarding in India. The consumer's problems are created in the market place from range of frauds and deception to outright rejection of their just protest and right to information about goods. Whatever the remedies which

are available in India for the protection of the consumers in the marketplace are by no means sufficient and the consumer find themselves helpless due to ineffective legal machinery for redressal of grievances. If a consumer experiences that he has been cheated owing to the high pressure sales pitch or by scarcity of commodities or reductive advertisement techniques, or any other commercial means of exploitation, he may still remain passive suffer in spite of knowing that he has not received the value of his money for the commodity he paid. So to say, the consumer is powerless to assert his rights and to compel a solution of his grievances in the marketplace.

There is no doubt that the legal system in India provides some remedies for the consumers' problems. Equality before the law is not only a constitutional right but it is an essential ingredient for making a state into just and welfare state. A just legal system has to operate in the defense of their citizens and also ultimately for the establishment of an egalitarian society. The position today that except for law suit in which substantial amounts of money are involved, the law courts have not proved to be an effective or even feasible mechanism geared to serve the needs of harassed and troubled consumers.

Consumer forum

With an aim to deal with cases pertaining to consumer grievances and disputes, the consumer courts also known as special purpose courts were established in India. Set up by the government, these judiciary courts aim to protect the rights of consumers. Their main function centers on maintaining the trade practices that are offered by the seller to the consumers. Consumers are free to file a case against the seller if they have been exploited or harassed. On having proof of exploitation (bills or supporting documents) the court will give verdict in favor of the consumers. However failure on part of the consumer to produce proper documents will make it difficult for him to file or win the case. **Consumer forum** is the special purpose court, in India, that deals with cases

regarding consumer disputes and grievances. These are judiciary hearings set up by the government to protect the consumer rights. Its main function is to maintain the fair practices by the sellers towards consumers. Consumers can file a case against a seller if they are harassed or exploited by sellers. The court will only give a verdict in favour of the consumers/customers if they have proof of exploitation, i.e., bills or other documents. If a consumer does not have the proper documents required for filing a case then it would be very difficult for the consumer to win or even file a case.

Types

1. **National Consumer Disputes Redressal Commission (NCDRC):** A national level court works for the whole country and deals compensation claimed exceeds rupees one crore. The National Commission is the Apex body of Consumer Courts, it is also the highest Appellate Court in the hierarchy.
2. **State Consumer Disputes Redressal Commission (SCDRC):** A state level court works at the state level with cases where compensation claimed is above 20 lac but up to one crore. The State Commission also has Appellate jurisdiction over the District Forum.
3. **District Consumer Disputes Redressal Forum (DCDRF):** A district level court works at the district level with cases where the compensation claimed is up to 20 lakhs.

Although the Consumer Dispute Redressal Agencies established under the Consumer Protection Act, 1986 have to a considerable extent, served the purpose for which they were created, the disposal of cases has not been fast enough. Several bottlenecks and shortcomings have also come to light in the implementations of various provisions of the act. With the view to achieving quicker disposal of consumer complaints by the consumer disputes redressal agencies, securing effective implementation of their orders, widening the scope of some of the provisions of the act to make it more effective, removing various lacunae in the act and streamlining the

procedure, several amendments have been made in the act by the Consumer Protection (amendment) Act 2002.

Act No.62 of 2002 seeks to substitute section 25 to provide for attachment by the District Forums, State Commission or National Commission, as the case may be, of the property of the person of a person not complying with an interim order. It also seeks to provide that on application from any person entitled to receive any amount from another person under an order made by a District Forum, State Commission and National Commission which remains due, the District Forum, State Commission and National Commission as the case may be, may issue a certificate to the collector for recovery of the amount as arrears of land revenue. These usually with any new enactment in India, one applauds the efforts of the minds that enacted this legislation. It is an effort towards efficiency and does away with many lacunae in the law. It also leaves ample scope for the courts to interpret and add meaning. What worries us is the enforcement. Will the judges be eager to give reasoned orders for adjournment or will they, in the spirit of the Act refuse to be lenient? How far will the consumers claim their rights and be informed of them? Will the voluntary organizations jump into the fray and become more proactive than before? Much depends on the individual and collective agencies of society.

FUTURE PROSPECTS: The Consumer Protection Act has aroused enormous expectation amongst the masses for redressal of their grievances. These expectations can be realized only when the redressal machinery laid down in the Act is made functional. However, the pace of establishment of redressal machinery under the Act has been slow. The State Governments did not evince sufficient interest in establishing District Forums and the State Commissions. In fact, the District Forum is the fulcrum of the entire Consumer Disputes Redressal Machinery because a large number of cases are to be covered within the jurisdiction for the District

forum. The appeals against the orders of the District Forum are to go to the State Commission and against the orders of the State Commission to the National Commission.⁷¹ The working of the State Commissions and the National Commission⁷² will remain diluted unless the District Forums are set up in all the Districts as envisaged in the Act. These delays and defaults on the part of the State Government brought to the attention of the Supreme Court in a *Common Cause v. Union of India*,⁷³ where the Court issued directions that all States and Union Territories to constitute all the District Forums and the State Commissions within six weeks. It appears that the State Government has paid scant regard to this statutory obligation. This is the most unfortunate state of affairs, for they betrayed total lack of concern for the constitution and functioning of the District Forums and State Commissions. There is no reason as to why the State Government could not establish necessary redressal machinery in accordance with the requirements of the Act. Such delay is highly undesirable and inexplicable and may shake the confidence of the public in such legislation.

Consumer protection act and govt. legislation and order

The contemporary era is marked as the era of consumers. No country can knowingly or unknowingly disregard the interest of the consumers. This can be argued on the basis of fast enactment of consumer protection laws in almost all part of the world. Apart from the consumer protection laws in developed world, we could find the accelerated rate of lawmaking for consumers in developing countries like Thailand, Sri Lanka, Korea, Mongolia, Philippines, Mauritius, China, Taiwan, Nepal, Indonesia, Malaysia and other countries. India is not an exception to this rule. The Consumer Protection Act, 1986, is one of the examples that is to be treated as a milestone in the history of socio-economic legislation to protect the interests of the consumers in India. The main objective of the Consumer Protection Act is to ensure the better protection of consumers. Unlike existing

laws which are punitive or preventive in nature, the provisions of this Act are compensatory in nature. The Act is also intended to provide simple, speedy and inexpensive redressal to the consumers' grievances, and relief of a specific nature and award of compensation wherever appropriate to the consumer. The act has been amended in 1993 both to extend its coverage and scope and to enhance the powers of the redressal machinery

Consumer protection council;

It is to be argued that much talked about concept of "consumer protection" centers around the problems of buyers in a world of sellers. The technological developments have multiplied the need of consumers and have changed the tradition that guided our living in the past. The rapid industrial development has not only brought new innovations and products into common use but has also affected the mode and outlook of our living. The simple goods which were catering our needs have been replaced by complex and complicated goods. In view of the socio – economic changes which have taken place in the lives of the people it is imperative to build up a strong and broad based consumer movement which may give impetus and bring about socio- legal measures necessary for consumer protection. This study aims to project and suggest not only the ways and means to manufacturers, distributors, traders and all those engaged in serving the consumer but also evolve balanced viewpoint between the buyers and sellers within socio- economic and legal framework of the society.

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The act has been amended in 1993 both to extend its coverage and scope and to enhance the powers of the redressal machinery.

The salient features of the Act can be summed up as:

- The Act applies to all goods and services unless specifically exempted by the Central Government.
- It covers all the sectors whether private, public or cooperative.
- The provisions of the Act are compensatory in nature.

It enshrines the following rights of consumers:

- Right to be protected against the marketing of goods and services which are hazardous to life and property of the people;
- Right to be informed about the quality, quantity, potency, purity, standard and price of goods or services so as to protect the consumer against unfair trade practices;
- Right to be assured, wherever possible, access to a variety of goods and services at competitive prices;
- Right to be heard and to be assured that consumers' interests will receive due consideration at appropriate forums;
- Right to seek redressal against unfair trade practices unscrupulous exploitation of consumers;
- Right to consumer education.

THE CONSTITUTIONAL PERSPECTIVE

The Constitution of India in Articles **38, 39, 42, 43, 46, and 47**, provides that the state shall strive to secure a social order for the promotion of welfare of the people; it shall direct its policies in such a way that operation of economic system does not result in the concentration of wealth and means of production to the common

detriment, it shall make provision for securing just and humane conditions of work and for maternity relief; it should endeavor to build an economic organization or to make suitable legislation to ensure a decent standard of life to all the workers who constitute the bulk of the consumers; it should promote educational and economic interests of schedule castes, scheduled tribes and other weaker sections and it shall also raise the level of nutrition and standard of living and to improve public health.

Article 46 of the Indian constitution provides that state shall endeavor to protect the economic interest of the weaker section of its population and also protect them from social injustice and all forms of exploitation which means all kinds of harassments and frauds in the market place. This

also includes people should be entitled to unadulterated stuff injurious to public health and safety. This principle amply reflects the inclusion of the philosophy of the concept of consumerism in article 47 of the Indian Constitution.

THE INDIAN PENAL CODE, 1860

It is the foremost penal law of the country which contains the substantive law of crime. It caters to the needs of the consumer in some manner. However, sections 264 to 267 of the Indian penal code relate to fraudulent use of false instrument for weighing, fraudulent use of false weight and measures, anyone in possession of false weight or measure respectively. The penal code further provides sections 269 to 271 on spreading of infections and in sections 272 to 276 on adulteration of food or drink, adulteration of drugs, sale of adulterated drugs and sale of drugs as a different drug or preparation are punishable with imprisonment or with both.

THE DANGEROUS DRUGS ACT, 1930

In the area of drugs control the Dangerous drugs Act, 1930 is an important central legislation

which empowers the central government to control certain operations relating to dangerous drugs. It further empowers to increase and render uniform penalties for offences relating to operations of dangerous act.

THE SALE OF GOODS ACT, 1930

Some spirit of concept of consumerism is also evident in the Sale of Goods Act, 1930. Before the subject was not only uniform throughout British India but was also outside the limits of the original jurisdiction of the high court, extremely uncertain in its application.

this enactment the situation was uncertain with regard to “sale of goods or movables, the law on the subject was not only uniform throughout British India but was also outside the limits ooriginal jurisdiction of the high court, extremely uncertain in its application.”

The Sale of Goods Act contains the spirit of the concept of consumer protection in several provisions in several provisions which include contract of sale, conditions and warranties in the sale, transfer of property between seller and buyer, duties of seller and buyers, right of unpaid sellers against the goods and suits for the breach of the contract.

THE DRUGS AND COSMETICS ACT, 1940

In order to defend the cause of consumer in the area of drugs and cosmetic industries in India, Drugs and cosmetic act of 1940 was enacted so as to regulate the airport, distribution and sale of drugs.

In pursuance to the recommendations the pharmaceutical enquiry committee appointed by the Government of India, the drugs and cosmetics act, 1940 empowers the central government to control the manufacture of drugs, to appoint inspectors for inspecting manufacturing premises and taking samples of drugs, to appoint government analysts to whom samples drawn by such inspectors could be sent for analysis and to issue the state government for carrying into any of the provisions of the Act.

THE DRUGS (CONTROL) ACT, 1950

In 1950 the Drugs (Control) Act was passed which also provides for the control of the sale, supply and distribution of drugs. This Act briefly provides for fixing of maximum prices and maximum quantities which may be held or sold, general limitation on quantity which may be possessed at any one time, duty to declare possession of excess stocks, marking of prices and exhibiting list of prices and stocks.

THE INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

Industries (Development and Regulation) Act, 1951 is another example on the part of the union government to make some attempts in implementing the objectives of consumerism. The act provides for the development and regulations of certain industries.

The Act specifically deals

with the central government's power to control supply, distributing price etc of certain articles.

THE INDIAN STANDARDS INSTITUTIONS (CERTIFICATION MARKS) ACT, 1952

The Act provides for the standardization and marking of goods which is a prerequisite to the establishment of a healthy trade and to compare favorably with the established makes of foreign products. The Act has been amended in 1961 and 1976 to make more effective in order to achieve its objectives.

THE DRUGS AND MAGIC REMEDIES (OBJECTIONABLE ADVERTISEMENTS) ACT, 1954

The Act in brief provides for prohibition of advertisement of certain drugs for treatment of certain diseases and disorders. It further imposes curb on misleading advertisements relating to drugs, magic remedies for treatment and regulation of certain advertisements of Indian imports and exports. There is also provision for punishment for those guilty of contravention of the law.

THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969

The one of the most important steps taken by central government to protect the interest of

consuming public is the enactment of the monopolies and restrictive Trade practices Act of 1969. The object of this Act is to provide that the operation of economic system does not result in the concentration of economic power to common detriment. It also provides for controlling the monopolies and prohibition of monopolistic and restrictive trade practices.

THE CODE OF CRIMINAL PROCEDURE, 1973

Nevertheless, the criminal laws of the country do protect the consumer in some degree or so. In this regard section 153 of the code empowers a station- house officer of a police station without

warrant to enter any place within the limits of such station for the purpose of inspecting or searching for any weights or measures or instruments for weighing, used or kept and whenever there is reason to believe that in such place weights, measures or instruments for weighing or false.

Suggestions:

1. Educate consumers to develop an understanding about their responsibilities as consumers.
2. Consumer should organize together to develop the strength and influence to promote and protect their own interest.
3. Government should make and implement rules of punishment more harsh so that manufacturer and shopkeeper think twice before adopting fraudulent practices.
4. A campaign should be set in motion to involve each and every consumer for making them more conscious and aware of their right and responsibilities.

5. Government and other consumer agencies should make efforts in the direction of propaganda and publicity of district forum, state and national judiciary established for consumer protection so as to make more and more consumer aware about machinery for their greater involvement and to seek justice in case of grievances.
6. Redress procedure should be made more logical, easy enough to be understood by a large number of consumers. Further procedures shall so designed as to have easy handling and quick disposal of cases.

CHAPTER-6

CONSUMER KNOWLEDGE TOWARDS BUYING PRACTICES, WANTS CONSUMER ORGANIZATIONS, NEED FOR CONSUMER EDUCATION, ACTION CHART FOR IMPARTING CONSUMER EDUCATION AT ALL LEVELS INCLUDING SCHOOLS AND COLLEGES, CONSUMER EVALUATION- METHOD, CONTENTS AND RESOURCES

1. Know what you want

Effective shopping begins at home with preliminary decisions as to what should be purchased and when. A shopping list should be prepared by identifying needs, thinking of alternatives and estimated expenditure.

2. Intelligent buying :

Before buying an unfamiliar article/ for first time consumer should have source of information in place of buying, models, brands, merits and demerits, prices, durability, operating conditions and maintenance. Intelligent buying that calls for preliminary information gathering in order to compare quality & price.

3. Learning to deal with business men

Consumer should use objective judgment **meaning** not to get influenced by personal factors and should not get influenced by salesmen possessive tactics (showing excessive friendliness offering soft drinks etc).

4. Learn to use consumer organizations

Through individual effort consumer can improve their buymanship and put their resources to optimum use. However to putdown malpractices as adulteration collective pressure is needed. An individual will generally be powerless against a trader because the other traders will support him. All traders are keen on keeping

their “vested interests” intact. The individual consumer may be threatened physically, may be abused in many other ways. An organization of consumers however can withstand such pressure and take legal action if necessary.

5. **Ask for informative advertisement and labels**

6. Advertisements often carry incomplete information about the product. Incomplete and vague information regarding the product does not help the consumers in making proper decisions. In such cases the consumer must insist on getting required information from the manufactures.

Pattern for wise purchase

1. **Planning to buy:** Before going to the market one should plan his/her purchase and make a list of items based on needs and requirements. This is very essential in identifying the requirements within the budgeted resources.
2. **Right quality:** The items to be purchased should be judged according to the desired quality in relation to its use. Variety products will have quality marks and one should identify these marks while making the purchase such as ISI, AGMARK etc.
3. **Right Quantity:** Consumer should make their purchase according to the needs and duration of use.
4. **Right Time:** Certain goods are subject to seasonal variations. They are cheap at certain time & expensive at other times.
5. **Right price and Vendor:** One should make comparison of price of the similar goods in the market and select the products at right price. Consumer should identify reliable vendors who would supply quality products at the right time within reasonable costs.

6. **Avoiding impulse buying:** A consumer might purchase items impulsively because at that moment the product has appealed to its psychological instincts. In such cases impulsive buying takes place. Usually in this kind of buying prices will be cheaper by 10 to 20%. However all impulsive purchases prove to be a good buy. Also there is the danger that one might exceed one's budget.

Need For Consumer Education

A consumer is influenced by a number of factors like customs, traditions, fashion, advertisements, society, neighbors etc. These factors have an important bearing in his behavior. The consumer has an important role to play for maximizing the satisfaction of the family members by judicious use of the money income. The consumer behavior is reflected in the way he uses his resources like money, time, knowledge and ability. Consumer education can provide the right direction to the consumer, and form a basic step to economic literacy. Every day the consumer have to analyse, evaluate and compare the information about the products and services they are buying/purchasing. They need to know how to budget for and manage their money and what to do when a financial crises arises. They should be aware of their roles of consumer in influencing the economy. To equip themselves in these respects, the consumers have to develop skills, build confidence and apply their consumer skills effectively. This can be achieved through consumer education. **The main purpose of consumer education** is to influence the consumer behavior. Consumer Education teaches the meaning of consumption i.e. purchasing, usage etc. The consumer education goals are directed towards use of minimum resources for maximum satisfaction.

Programmes needed for consumer education: Consumer education needs the following programmes

- Spreading information about consumer rights and responsibilities

- Product evaluation and choice
- Grievance redressal and remedies available etc

These programmes should be based on research done on consumer motivation and consumer behavior in real situation so that these are relevant.

Consumer education: It is the process of gaining knowledge and skills needed in managing consumer resources and taking action to influence the factors which affect consumer decisions.

Objectives of Consumer Education

- Developing skills
 - Gain knowledge
 - Develop understanding
1. **Developing skills** of a consumer relates to making him to act as informed and responsible person. The skills include writing letters of complaint, exercising judgment with respect to
 - sales promotion campaigns
 - Selecting, using and disposing of products knowledgeably.

2. **Imparting Knowledge**

To make consumers to act as informed consumer, This relates to knowing of consumer rights and responsibilities, all relevant laws of the country affecting consumers' basic knowledge about health, subject-wise utilization of resources etc.

3. **Developing understanding**

To make the consumer understand how society functions as a whole and the role of consumer in particular.

Consumer education relates to understanding of the individual concerns of consumers as well as that of the society at large. By having consumer education the consumers will be well informed , will be critical and active about the way they meet their needs. It would encourage them to apply the following simple rules while making purchases.

- Buying things for their usefulness rather than for status.
- Learn to enjoy things without owning them
- Evaluate critically on all offers on buying now and pay later schemes
- Reject any thing that will encourage the oppression of others

Consumer education not only encourage skills for wise buying of quality goods at fair prices and for the protection of consumers against unfair trade practices in the market, but also the skills for active participation of consumer in the economic, social and political decisions that affect them.

1. **Knowing the Existing situation**

The position regarding the existing situation about the people's knowledge and lack of knowledge about the consumer position. How the educator can educate the people by a proper plan of action. This can be done at

1. Local level

2. National level

3. **At Local level:** How to mobilize the resources to educate consumer etc has to be studied.

4. **At national level:** the educator of consumers should get information about government policy, reviews of administrators, views of resource person etc for educating the consumers.

II Formulating a Plan:

The consumer Education has to be properly planned and executed. This involves

1. *Formulation of objectives*
2. *Identifying the kind of activities*
3. *Selecting the appropriate course of action*
4. *Consulting local citizens while making decisions.*
5. *Preparation of a time schedule and an evaluation guide for the programme.*

III Implementation of the Plan:

1. The consumer educator has to motivate the consumer
2. Make consumer aware of the market system.
3. Make the consumer to express their views and state their problems.
4. Make them aware of the ways of overcome their problems.
5. Canvas and convince the government policy makers to solve the problems of consumers
6. Develop resources materials/audio-visual aids.

IV Evaluation

1. Assess the effectiveness of the programme of consumer education initiated.
2. Bring about modification if necessary.
3. Evaluating of the programme to be done periodically to improve further.

V. Follow up

The programme of evaluation should lead to improvement of the programme

The follow up action should be taken after each evaluation.

Consumer Evaluation- Method ,Contents And Resources:

1. **Methods included:**

- Participatory lectures
- Demonstration
- Field activities and exploration
- Experience
- Project work
- Product testing and evaluation
- Games and plays

A good consumer education programme provides knowledge and understanding.

Following systems should help a consumer educator to make his method effective

- Be realistic and practical
- Be positive in approach
- Cover a wide range of consumer transactions and behavior
- Adopt local language and example
- Help consumer to develop value based judgments.

2. Content of consumer education

The content of consumer education should cover the following

- Management of resources
- Making wise decisions
- Development of sound purchasing habits
- Health and safety evaluation resources
- Conservation of resources
- Environment protection

3. Resources materials

For consumer education resource materials could be obtained from the following sources.

1. New papers and magazines
2. Leaflets of products provided by produces
3. Radio and TV
4. labels and package
5. Government hand outs
6. Environmental protection groups and consumer organizations.

Consumer Education activated should be conducted on the choice of proper resource materials. They can be books written by teachers who are experts to suit particular curriculum, materials published by consumer organization and other non-government organizations(NGO) and studies sponsored by business –firms, Chamber of Commerce, Professional bodies like Bankers association, Insurance companies etc
The consumer education resource materials should possess the following attributes.

Attributes of Resources materials for consumer Education:

Accuracy- These should be consistency in the statements with established facts
Information must be variable and is up to date.

Objectivity- The relevant view points must be fairly presented. There should not be any bias.

Completeness -material must include all relevant information. It should not be misleading.

Language- The words, terms and the length of sentences should be carefully chosen and presented.

Non-discriminatory -the texts should not be derogatory to a particular group i.e. sex, race or age etc.

Non-Commercial -Brand names or trade marks of sponsors should not be contained in the illustrations.

All resource materials should be carefully scrutinized by the teacher or instructor. The educators must study the materials carefully before the selection.

Suggestion for future development:

Consumer activists face problems and challenges in the area of consumer education. Efforts should be made to promote the concept of consumerism and introduction of consumer education.

Hence the following suggestions should be useful in their functions as consumer educators.

1. They should conduct seminar and workshops to facilitate exchange of experience and ideas among members. It is useful to organize programmes to maintain regular communication with the people the Government and Consumer Organization.
2. Efforts should be made to promote the concept of consumerism and introduction of consumer education.
3. Efforts must be made to find out available opportunities at National and International level.

Consumer Education should be encouraged and given support by providing resource persons, funds, sponsorships relevant information material and be exploring possibility if using the mass media , radio , TV etc.

CHAPTER-7

CONSUMER WELFARE ORGANIZATIONS

An attempt has been made in this chapter to discuss various aspects of consumer organizations. Every citizen as a consumer can combine with other consumers to form associations. Consumers as citizen have this right provided under the constitution and exercise it effectively and consider issues of common interest and work towards solving problems facing them.

The discussion in this chapter is focused on the aspects relating to establishment of consumer organizations at local level such as type of consumer protection and for dissemination of awareness, exercise of legal rights, registration of the organization, its structure and functions etc. The discussion also includes suggestions for membership and coordination of its activities with other organization. In many colonies/residential areas, associations of persons or groups of persons are set up to look after the interest of the area or group. They might be working under different names such as resident welfare associations, associations for consumer guidance society, resident's protection agency, center for investor's protection, residents union, grahak panchayat, organization for consumer protection and education etc. The activities of these organizations, irrespective of their members, who are ultimately consumers of one product or the other.

Thus it is clear that every one of us is consumer and it is therefore important that we unite together our interests. The efforts of consumers can be more effective only when they unite to work together. A consumer organization is one such forum which can meet the needs of consumers of all kinds.

Consumer Organizations:

Consumer organization is advocacy group It seeks to protect people from corporate abuse, Unsafe products, false advertising, food adulteration, pollution, deceptive weights and measures etc are all examples of corporate abuse. A sound healthy and efficient consumer organization having support of the people as well as the government can be a powerful force in protecting and safe guarding the rights of the consumers (mutagi 1992).

Organizational set up of an organization

To set up an organization, the following details should be decided

- Objectives
- Membership
- Emblem/logo
- Registration

In addition to the above, other matters, like funds, premises, manpower etc may also be taken up.

Objectives of Consumer Organizations

Consumer organization has the following objectives

- To provide consumer education
- To share and exchange consumer related information
- To promote cooperation and collaboration of all activities related to consumer protection and interests
- To develop confidence among the consumers to represent their cases to environment against the private companies that exploit them.

- To undertake research and product testing.
- To ensure the rights of every consumer to basic needs such as food, housing, health care and clean environment.
- To educate consumers to think critically to make their own decision and have the strength to resist hazardous trends and practices like smoking, drinking, gambling etc that make their lives mere deprived.

Membership

The organization shall become active and functional when consumers became its members. Membership gives collective strength to the organization. Each member may be asked to contribute a nominal membership fee at the time of entry and also. Periodically as monthly or annual fee, all members should be charged with uniform membership fee so the members feel equally treated in the organization. Membership fees thus collected shall be useful for meeting expenditure to carry out activities of the organization.

Emblem/Logo

With the setting up of the organization and after finalizing its name the next step is to adopt an emblem or logo for it. An emblem is a symbol or distinctive badge representing an organization. An emblem can attract the attention of those who are attached to the organization others too would be able to associate the message with emblem of the organization. Volunteers bearing the badge of the emblem could easily be identified in a large group with the organization and its goals. Some of the emblems adopted by some consumer organizations are given below

Registration Procedure

The organization has to be registered and become a legal entity immediately after the membership objectives and the emblem are finalized. A registered organization can work more effectively

- Registered organizations create more confidence among the citizen since their accounts are audited and their activities are transparent
- Registered organization is subject to some discipline and it is recognized legally.
- Registered organizations derive rights under law to represent their case in the consumer courts.
- Registered organizations can utilize financial assistance given by government and other voluntary bodies.
- Registration of a consumer organization can be done either under the companies' act 1958 or under the Societies Registration Act 1860.

Organizational requirements for a consumer organization relates to

- Office equipments
- Funds
- Premises
- Man power

Consumer organizations are involved in protecting the right of the consumers and try to promote social justice and fairness in the market. Consumer organizations have to find out the specific problems of consumers and try to solve them through counseling, education and information services. Following activities of consumers organizations are identified in this context.

- To impart consumer education and to provide information.

- Identify consumer problems and conduct research related to those problems.
- Help solve the problems of consumers and work with communities.
- To organize programmes of public interest.
- Counseling and guiding consumers in case of their grievances.
- To carry out the various activities,

The organization can have the following sections.

1. Education of consumer education

Everyone has the right to consumer education. Most of the consumers are apathetic because they are not aware of their rights. Therefore they do not have the strength to resist whenever they are cheated or exploited which they are accustomed to suffer silently.

Consumer education aims at

- Developing skills
- Gaining knowledge
- Developing understanding

Consumer education should focus on issues like health, sanitation, nutrition, food and product safety pharmaceuticals, basic needs; environmental problems market malpractices, finance, workers rights, unethical advertisements, culture and life styles etc. Consumer education should cover all section of people including school and college students, teachers, women and youth groups and religious organizations etc. Consumer's education should be imparted through seminars, workshops, exhibitions and drama competition on consumer issues. Consumer's education can also include film shows, campaigns like anti-smoking and anti alcohol campaigns exhibitions of books, magazines, posters etc.

2. Research

Research is useful in finding out the cause for any problem that consumers face. Research may cover all the areas of consumer problems. Multi practices in market places may be studied and tests can be conducted to check safety and quality of the consumer products, water and food stuffs. The results can be published in the magazines or news papers.

3. Grievances and complaints

Consumer organization may receive complaints on consumer issues like poor quality products and services, food adulteration, unhygienic conditions, water and electric supply etc. complaints may be received through mail, telephone or in person. Such consumers need to be counseled and may be guided by the consumer organizations so that their grievances are redressed. Members may be represented by consumer organizations filing complaints in the consumer courts. Organizations may also act as arbitrator while settling consumer grievances with a business organizations and sellers.

4. Vigilance

The vigilance on the part of the consumer organization relates to the services offered by government agencies like telephone, postal services, electricity, water supply and public distribution system. Unfortunately the government functionaries are not found consumer friendly. Such services tend to become impersonal in their approach. Hence the consumer complaints against these government units can be taken up by these consumer organizations to safeguard the interests of the consumer and roads, streets etc to do their work properly.

5. Counseling

Counseling of consumers can be taken up by consumer organizations in matters like;

- Providing assistance and legal advice to the consumers who are in need of such advice.
- Observing implementation of laws affecting consumer interest.
- Representing consumers of public interest cases with the government.

6. **Publication and media**

Publications like newsletters and magazines brought out periodical by consumer organizations can become the medium of communication between the consumer activities and consumer public. Consumers can be informed about issues of consumer interest through the columns of their publications. Consumers can also contribute their share by informing their plights and problems. Organization can keep the consumers informed of the latest developments, notices of public meetings, land mark judgements in the consumer cases etc.

The newsletters or the publication of the organization can cover the following aspects.

- Articles of consumer interest
- Case studies on common consumer grievances settlements
- Consumer complaints and their redressal
- Consumer laws and their provisions
- Consumer responsibilities
- Procedure for consumer grievances redressal

Newsletters can be sold at nominal prices. The collection could be adequate to meet the printing and publishing costs.

7. **Library:**

Library of a consumer organization can be a good information center for consumers. Such a library should contain a wide range of books, journals, research reports and

pamphlets along with press clippings to meet the reference needs of the consumer. Library premises can be used as a meeting point for the members of the organization. A library is an ideal for displaying charts posters etc.

8. Public meeting:

Consumer organization should organize public meetings and involve more people to participate in the discussion on consumerism. The deliberations must be conducted in a democratic way and discuss issues peacefully. Open discussions in public meetings will augment the consumer movement. Public meetings will make the consumer to conduct themselves with discipline. The suppliers of goods and services should also be involved to attend such meetings. So that they can understand the consumers issues properly. In their absence the record of the meetings may be sent to them.

Following guidelines could be useful for conveying public meetings.

- Regularity of convening public meetings.
- Announcement of the proposed meetings.
- Venue of meetings to be notified.
- Conduct of meeting in an informal manner.

9. Protests

Consumers have a “right to protest” when they are exploited. Demand for justice in relation to rights guaranteed in the constitution of India and in the consumer protection act 1986 and consumers can express their protest against any exploitation consumers can choose right form of protests.

Following are the some of the forms of protests generally adapted on consumer related issues

- Protests by individuals
- Co operative protests
- Written protests
- Protest marches
- Fasting as a form of protest

1. Protest by individuals

An individual can protest and the protest may be in the form of dharna, fasting, writing letters to the concerned authorities on news papers, magazines etc against injustice done. Alternatively president of a consumer organization can take up himself individually to protest against and do justice to consumers.

2. Co operative protest

A large group of may protest and focus the attention of the authorities against common issues like water supply, cleaning of garbage etc. such protests are organized in a cooperative form in a collective way.

3. Written protests

Written protests can be organized with the guidance of consumer organizations if grievances affect large number of people protests can be made against officers who do not respond to public grievances despite reminders, written protests may be written in post card and posted simultaneously by all. They may be addressed to the officer or to the higher authorities of the concerned department; such protests will force them to take corrective action. Consumer organization may draft the letters and dispatch them.

4. Protest marches

Protest marches are organized when other strategies fail to achieve desired results. Such protest marches require participation of large number of participants. Protest marches should be organized in a peaceful way without disrupting traffic and the mob rioting etc.

5. Protest fasting

Protest fasting can be carried out by single person or people can resort to “relay fasts”. Protest fasting will focus attention of the authorities against consumer’s grievances. Care should be taken to see that fasting protests do not create law and order problem.

Consumer organizations should consider carefully the advantages and disadvantages of a particular type of protest and decide the most appropriate type of protest against consumer grievances.

Do's And Don'ts For Activities Of Organizational Setup:

1. Consumer organization should be non political
2. Organization members should set an example by practicing what they preach others.
3. The organization should assure that it has nothing against any individual. Its fight is against the consumer grievances created by sellers or institutions.
4. The organization should be willing to admit a mistake if it is found a fact.
5. Organization activities should not lead to violence
6. Consumer activities should be prepared to meet the consequences of their activities relating to the consumer organization.
7. Goals and objectives of the consumer organization should be practical and realistic

Strategies And Tactics Of The Consumer Organization: Consumer organization should follow some strategies and tactics to become viable and effective.

The following strategies and tact is should be noted in this context

1. The emphasis of the organization should be on consumer education. Consumer education should remove consumer apathy, fear and inability to develop a fighting spirit.
2. The organization should create an image of a fair, principle and credible movement in the minds of the consumer.
3. Consumer organization should be people's movements. It should create strong public opinion against all forms of injustice. It should be prepared to organize an appropriate form of protest against injustice
4. The organization may seek the help of some officials of the government while finding solutions to consumer problems.
5. Quick results to problems may not be possible. Hence it is desirable to adopt a 'go slow' policy and wait for the results.
6. The solution to problems should be obtained through proper planning and through analysis of the problem.
7. Keep records or copies of all documents safely.
8. Copies of complaint or request to officers should be sent to their higher authority.
9. Give reasonable time limit for action to be taken. If no response is given take the matter to the higher authority.
10. Complaints from consumer should be accepted only after ascertaining that it is genuine.

Coordination with other organization

It is desirable for the consumer organization to coordinate its activities with other consumer organization at state and national level. It should become a member of the federation of consumer unions of the state. At the national level there is a body called confederation of Indian Consumers Organization located at Calcutta. It is necessary to

become aware of the International body called consumer International located at London. There is a sub regional office in India called India consumer Protection Programme(ICCP) at Pune. It is necessary for consumer organization in India to work in coordination with national and international bodies.

CHAPTER-8

FUNCTIONS OF GOVERNMENT CONSUMER ORGANIZATION, THE OBJECTIVES OF UNITED NATIONS GUIDELINES FOR CONSUMER PROTECTION

At National Level

1. Consumer Affairs under Ministry of Consumer Affairs, Food & Public

Distribution:

The Department is entrusted with the following main works:

- Prevention of Black-marketing and Maintenance of Supply of Essential Commodities Act, 1980
- Monitoring of Prices and Availability of essential commodities.
- Implementing Consumer Protection Acts.

2. Bureau of Indian Standards:

The major functions are:

1. Preparation of standards relating to products, commodities, materials and processes.
2. Promotion of general standards at national and international levels.
3. Certification of industrial food products.
4. Circulation of information relating to standards and standardization.

1. **Centre for Consumer Studies (CCS):** The aim of the Centre is to perform, facilitate and promote better protection of Consumers' rights and interests with special reference to rural India.

2. **Weights and Measures**” This organization was set up in order to realize world uniformity in laws relating to legal metrology (weight and measures) and to make international trade smooth and practical.

The functions of this department are.

1. Conducting the model approval tests on weights and measuring instruments
2. Imparting training in legal metrology and allied subject.

3. Directorate of Marketing And Inspection

This Agency undertakes the grading and marking of a wide range of Unprocessed and semi-processed agricultural commodities such as spices, ghee, edible oil, butter, food grains etc. The main function of this Directorate is to provide for redressal of grievances and complaints of the consumer in respect of Agmark products. If the Agmark product purchased is found defective, the purchaser will be supplied free of cost replacement of the product or reimbursement of the cost.

4. Food testing laboratories set up under the prevention of food adulteration act, 1954.

The PFA Act protects the consumers against adulterated and contaminated food by laying down the guidelines for setting up the standards for various food items called the PFA standards. The Act makes it a criminal offence to sell any food product which is adulterated or misbranded.

5. Monopolies and Restrictive Trade Practices Commission (MRTP Commission)

The Monopolies and Restrictive Trade Practices Commission was set up to prevent companies from indulging in monopolistic, restrictive and unfair trade practices. The

MRTTP Act 1963 enables the consumer to approach the commission for justice against exploitation by traders, for their false or misleading claims or advertisements.

6. National Consumer Disputes Redressal Commission

To provide cheap, speedy and simple redressal to consumer disputes, quasi-judicial machinery is set up at each District, State and National levels called District Forums, State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commission respectively. At present, there are 604 District Forums, 35 State Commissions with apex body as a National Consumer Disputes Redressal Commission (NCDRC) at New Delhi. National Commission is headed by a sitting or retired Judge of the Supreme Court of India. A written complaint, as amended by Consumer Protection (Amendment) Act, 2002, can be filed before National Commission (above Rupees One crore) in relation to a product or in respect of a service.

1. Functions of Government Consumer Organizations at State level

- 1. State Consumer Protection Council (SCPC):** This council is helping in taking up matters affecting consumers at the policy level in Government. SCPC is liable to uphold the rights of the consumer under sections 6(a) to 6(f) of the CP Act.
- 2. State Consumer Disputes Redressal Commission:** State Consumer Disputes Redressal Commission is headed by a sitting or retired Judge of the High Court of the state. A written complaint, as amended by Consumer Protection (Amendment) Act, 2002, can be filed before State Commission (up to Rupees One crore) in relation to a product or in respect of a service.
- 3. Dept. of Legal Metrology and Consumer Protection:** Government is planning to change the name of Department of weights and measures to

Dept. of Legal Metrology and Consumer Protection. The proposed objectives of this department are

1. Will act as single window agency to redress consumer grievances.
2. Consumers' protection provisions of all agencies will be brought under this Department. (Raghunandan, 2008)

2. Functions of Government Consumer Organizations at District level

1. District Consumer Protection Council (DCPC):

DCPC specifically duty bound to protect the rights of the customers enshrined in the Consumer Protection Act. Consumers can also send their specific complaints by email/fax. District Collectors for redressal. Collectors, being District Magistrates, are also empowered under various sections of other laws to take up issues on behalf of consumers and protect their interests.

2. **Lok Adalats:** Another authority which can help a consumer seeking redressal of his grievance is the Lok Adalats or 'Open Durbars' or Open House. These Adalats are held to provide simple, effective, low cost litigations for cases involving breach of contract and small money claims, which a consumer may have against a public authority. Such Adalats provide definite advantage to a consumer since the whole procedure is simple, informal and the decision expeditious.

3. District forums:

District forum is headed by a sitting or retired Judge of District Court. A written complaint, as amended by Consumer Protection (Amendment) Act, 2002, can be filed before the District Consumer Forum up to Rupees twenty lakhs in relation to a product or in respect of a service.

Functions of Voluntary Organization At National Level:

First known collective body of consumers was set up in 1915 in Bombay. It was known as “Passengers and Traffic Relief Association”. “Women Graduate Union” was another organization started in 1915 in Bombay. It is now a member of central and state Consumer Protection Council. It works for different areas of consumer protection. One of the earliest consumer cooperative known as “Triplicance Urban Cooperative Stores” was started in madras in the late 40s. The Indian Association of Consumers (IAC) was set up in Delhi in 1956. It worked for consumer interests with Government support.

1. Voluntary Organization in Interest of Consumer Education (voice), New Delhi:

It is the voice of and for the consumers in every sense. VOICE was founded by teachers and students at the University of Delhi in the beginning of the academic year 1983-84. VOICE has been engaged in the following activities for protection of consumer interests and creation of awareness of their rights. It undertakes the following works:

1. **Product testing-** The purpose of testing is to inform the consumers about the comparative quality vis-a-vis price to enable them to make correct choice of product at best price.
2. **Consumer Advocacy-** VOICE is a member of Consumer International, UK and Bureau of Indian Standards. They have been actively pleading the cause of consumers before these bodies to protect consumer rights.
3. **Health And Food Safety-** VOICE has been conducting workshops, surveys and campaigns on health and food safety in various parts of the country in collaboration with Govt. of India and its international partners.

4. **Anti-Tobacco Work-** VOICE provides its active participation in tobacco control work as part of Network for Accountability of Tobacco Transnational's (NATT).
 5. **Training In Customer Care-** VOICE has been conducting training workshops for Delhi Jal Board and Delhi Vidyut Board in respect of customer care to sensitize the staff to consumer demands, and difficulties in redressal of grievances relating to billing, change of meter, adjustment of excess money etc.
 6. **Investor Grievances-** They have been taking up investor grievances with the respective companies, Ministry of Finance, RBI and others. They have been advising investors about the action to be taken by them to seek redressal of their grievances.
 7. **Publications:** Ankit Vani, Sarthak: Vani and Food standards and safety in a globalised world.
2. **Concert (centre for consumer education, research, teaching, training and testing), new delhi:**

The vehicle safety experience of the US appears all the more relevant for India today. An organization is designed to check the safety of every vehicle model manufactured, in CONCERT (Centre for Consumer Education, Research, Teaching, Training and Testing). CONCERT along with the Insurance Regulatory and Development Authority (IRDA) studies accidents, pinpoint the causes, and take or recommend corrective steps. Such steps would have reduced accident claims to insurance companies, eventually leading to reduced motor vehicle premiums and, over the course of about a decade, brought discipline to the transportation sector.

3. **Consumer Coordination Council (CCC), New Delhi:**

Consumer Coordination Council (CCC) was established in March 1993 as a Society registered under the Societies Registration Act of 1860.

Aims & Objectives

- Influencing policies, legislation and administrative framework towards promoting consumer interests.
- Empowering consumer protection groups to work towards strengthening the civil society in the democratic system of the country.
- **Consumer Online Foundation (COF):**

Consumer online is an initiative launched by Consumer Online Foundation (COF) to interlink and integrate comprehensive database information related to consumers and consumerism. COF advocates the use of effective communication tools to ensure improved productivity, enhanced information delivery, reduced transaction costs and efficiency in society.

The present COF website has been designed to interlink and integrate content relating to consumer issues in digital economy and provides specific information of the activities, events, press releases and campaigns on the subject. Such information would help the consumers in understanding the evolving role of policy and law in consumer awareness.

Consumers International (CI)

Consumers International (CI) is the world federation of consumer groups that, working together with its members serve as the independent and authoritative global voice for consumers. With over 220 member organizations in 115 countries, CI is building a powerful international movement to help protect and empower consumers everywhere.

Vision: CI's vision is a world where everyone has access to safe and sustainable goods and services.

Voluntary Health Association Of India And Medical Council Of India (VHAI):

It is a secular, non-profit making Federation of over 3000 organisations working in the field of health and community development. It also collaborate its activities with consumer organisations in relation to consumer complaints on health-related issues. A consumer can also seek the assistance of VHAI for his genuine grievances on health related issues and drug abuse.

Functions of Voluntary Organization At State Level

1. Federation Of Consumer Organisations In Tamil Nadu (FEDCOT), Tamil Nadu:

The Federation of Consumer Organizations of Tamil Nadu and Pondicherry, well known by its acronym, FEDCOT, is a nation-wide non-governmental organization. It is voluntary non-profitable, non-political, civic-minded, secular and registered under Societies Act (Registration Number 227/90) to work for the promotion and development of consumers' interest and their welfare. Freedom fighter R.R. Thalavai was responsible for the founding of the organization in 1990.

Objectives

- To strengthen the growth of the organized consumer movement in India.
 - To resolve consumer issues and educate on the rights and responsibilities of consumers.
- FEDCOT has been focusing its attention on Training, Research, Advocacy, Empowerment and Networking areas.

Some Organizations come up with the novel idea of buying qualities product of everyday use at wholesale prices and selling them to the consumers at lower prices. Visaka Consumer Council (VCC) was formed in 1973 in Vishakhapatnam (AP). It is

another pioneering consumer organization. It took up the plight of poor ration card holders and LPG gas user who need to stand in long queues because of irresponsible attitude of concerned authorities. It has succeeded in bringing about changes in the fair price shops and PDS.

2. Mumbai Grahak Panchayat (MGP), Mumbai

Mumbai Grahak Panchayat (MGP) is a registered voluntary consumer organization established in 1975.

The Functions Are:

- Supplies about 75 essential commodities at their door-step, every month. MGP's Consumer Protection Wing files a number of public interest petitions to protect consumers' interests.
- MGP's Consumer Education Wing organizes consumer awareness camps, workshops, seminars for students and teachers.
- MGP's study and Research Wing undertakes consumer research and provides the base for launching various consumer interest campaigns. MGP also has a new Environment Wing which looks after matters of environmental interest.
- In 1990, MGP was honored with the National Award (2nd) by the Government of India for its outstanding contribution to Consumer Protection.

3. Grahak Panchayath(1979) in Jamashedpur,

4. Akhil Bharathiya Grahak Panchayath (1972) Pune.

- During 80's a large number of Consumer Organization were floated one of them was Jagrut Grahak in Baroda started in 1980 Includes
- Consumer Forum 1980 in Udupi

- Voluntary Organization in the Interest of Consumer Education
- Delhi University Delhi (1983),
- Consumer Action Group-Madras 1985.

5. Consumer Protection Council, Rourkela (CPC), Orissa.

The residents of the Rourkela Steel Township joined hands and formed the Consumer Protection Council, Rourkela, on 8th September 1985, to safeguard the consumer interests.

Objectives:

1. The undertaking of promotion and development of consumer awareness and to prevent exploitation of consumers.

In pursuance of the above object, to make available the benefits of its activities to the public generally without restricting the same only to the members of the Council.

Consumer Education And Research Centre (CERC), Gujarat:

Now known as Consumer Education and Research Society. CERC is a non profit, non government body, dedicated to the protection and promotion of consumer interests through active use of research, media, law, and advocacy and information dissemination. CERC is recognized as a research institute by the Government of India and as a consumer organization by the Government of Gujarat. It was started in January 1978 by Prof. Ramesh Bhatt, Prof. Manubhai Shah, Prof. K.G. Munshi and Prof. A.C.Brahmbhatt, all of them belonged to a Trust called the Foundation for Public Interest (FPI). The objective was to create awareness among consumers about their rights and initiate action that would help them protect them. The goals are

- Ensure consumer safety against unsafe products and services through education, research, awareness campaign and dissemination of the findings

of the comparative testing of consumer products and product information.
Resolves individual complaints

- Protect the environment

Citizen Consumer And Civic Action Group (CAG), Chennai:

^Citizen consumer and civic Action Group (CAG) is a non-profit, non-political and professional organization that works towards protecting citizens rights in consumer and environmental issues and promoting good governance processes including transparency, accountability and participatory decision-making. CAG came into existence on 7 October 1985 as a non-profit, non-political, non-religious, voluntary and professional citizens group based in Chennai, India. S. Govind, Swaminadhan, legal practitioner and former Advocate General of the State of Tamil Nadu, was the founding trustee of CAG.

Consumer Guidance Society Of India (CGSI), Mumbai.

The Consumer Guidance Society of India (CGSI) is a consumer rights Organization based in India. It was the earliest consumer organization in India, founded by nine women in 1966, and become the first to conduct formal product testing in 1977.

- Complaint Redressal: CGSI handles consumer complaints and offers legal guidance to those wishing to file suits in the Consumer Court.
- Product Testing: As early as 1977, CGSI established the facility of product testing. A food adulteration testing kit has been developed for use by the lay consumer.
- Consumer Education For Schools/Colleges: CGSI's Education Committee members made efforts to introduce Consumer Education at the 9th Standard Level, by Maharashtra Education Board.
- Consumer Education For Rural Consumers:

- Publications: "Keemat"
- National Award: In 1991, CGSI received the National Award for Consumer Protection in its 25th year for service to Consumers.

Consumer Unity Of Trust Society (CUTS), Rajasthan. Jaipur

CUTS International (Consumer Unity & Trust Society) began its journey in 1983 in Rajasthan, from a rural development communication initiative, a wall newspaper Gram Gadar (Village Revolution). The activities of CUTS, as a research, advocacy and networking organization working on several areas of public interest, are divided into:

- Consumer protection,
- Competition, investment and economic regulation,
- Human development, and
- Consumer safety.

Karnataka Consumer Services Society, (KCSS), Bangalore.

This was formed in the year 1970 in Bangalore. The main strength of KCSS was Mrs. Mandana who spread the word of the movement throughout the country especially among government circles at a time when the word 'Consumer' was not familiar to many. It organizes seminars on Consumer Education in schools and is represented on Prevention of Food and Drug Adulteration Committee and Karnataka Food and Civil Supplies Corporation.

➤ REGISTERED CONSUMER ORGANIZATIONS IN KARNATAKA

There are about 88 Government Consumer Organizations and 211 Registered Consumer Organization in Karnataka. South Karnataka has highest number of voluntary Consumer Organizations (83 no) and North Karnataka has only 30 Voluntary Consumer Organizations. Bangalore has highest number of Registered Consumer

Organizations. Consumer Organizations in 90's saw the fulfillment of efforts towards unified approach.

In 1990 Federation of consumer organization (Tamil Nadu) was established to bring together as many consumer groups as possible in the state. In 1992 Consumer groups of Gujrat joined hands to form a federation –Gujrat state Federation of Consumer organizations (GUSFEFCO). Now other states have Federations in Kerala, Karnataka, Andra Pradesh, Maharashtra, Rajasthan, Orissa and Uttar Pradesh. Besides at the apex level there is a confederation of Indian Consumer Organization (CICO). New Delhi formed in 1991 and consumer Co-ordination Council (CCC) New Delhi formed in 1992. The main reasons for forming these apex bodies are networking of consumer groups to come together on consumer cause.

THE OBJECTIVES OF UNITED NATIONS GUIDELINES FOR CONSUMER PROTECTION

The objectives of United Nations Guidelines for Consumer Protection

It is extended the same/similar benefits of consumer protection to people not only in the developed countries of the world who are well fortified in consumer protection but also to those in the developing and under developed countries because consumers encounter similar problems in every continent in the world.

Guidelines:

- Access to decision making
- Measures for consumer redress
- Protection of consumer safety
- Standards for goods and services
- Consumer Education and information

- Access to goods and services
- Protection of consumer health

In India there are a number of enactments promulgated for the protection of the consumer. In fact each legislation in the country has some elements which are directly or indirectly aimed at the consumer's welfare or protection.

Main Aim Of Consumer Protection Laws are:

1. Prescribing standards of goods and services sold to consumers.
2. Regulating of undesirable practices by business and others.
3. Prescribing terms to be implied into contracts made with consumers.
4. Establishing organizations to receive complaints and to take action.
5. Facilitating promotion of consumer education
6. Licensing and regulating supplies and improving quality of goods and services supplied through selected companies/person
7. Conferring rights on the aggrieved consumer and to redress complaints against businessmen.
8. Checking adulteration of food stuffs and essential goods and to award punishment for creating shortages and under weighing and measuring defects etc.

Some of The Consumer Protection Acts are:

1. Indian Standards Institution (Certificate Marks) Act 1952

This act promulgated in 1952 was amended in 1961. This body was named the Indian Standards Institutions (ISI) and came under the preview of the ISI certification marks Act 1952. Its function was to provide standards of quality control for various raw materials, products practices and processes. In 1987 the organization was renamed as Bureau of Indian Standards (BIS) Act-1986. The Indian Standards are now set by the

BIS although the certification mark still used on products is ISI, so that manufacturers /consumer is not confused as a result of change in the name of organization. The Act prohibits improper use of “ISI” mark. Officers are authorized by the Act to search and seize incase of reasonable doubt about standard marks measure.

2. Fruit Products order (1955)

The Act provides for compulsory licensing of manufacturers of fruit and vegetable products to ensure minimum standards relating to quality, packing, labeling and marketing periodic inspection and testing of sample is done.

3. The Agricultural Produce (Grading) marketing Act (1977)

This act stipulates that products like pure ghee, eggs etc should be graded. Graded foods are stamped with the official seal of AGMARK. Test of the agricultural products is made by quality control labs of different places.

4. Central Packaged Commodities (Regulation) order (1975)

The order stipulates for enlightening consumers on the contents, weights, price, month of manufacture and the name of the manufacture of several packaged commodities for retail sale.

5. Essential Commodities Act (1955):

The Act governs the production, procurement and distribution of all essentials commodities. The Act amended in 1974 and stipulates quick and effective action against antisocial practices carried by hoarders and black marketers.

6. Monopolies and Restrictive Practices Act (1969)

This has been amended in 1984 to safeguard consumers. They class to taking action against

1. False or misleading statements and publications of false and misleading advertisements relating to bargain sales.
2. Conducting and contest , lottery or game price scheme of chances or skill with the aim of sales production and not offering as promised
 - Supply of goods not complying with standards as laid down by competent authorities
 - Raising prices of goods by hoarding and creating shortages.
3. Manufacturers to prove correctness of their claims about their products.
4. Consumers associations to complain against unfair trade.
5. Monitor compensation to aggrieved consumers to be awarded.

7. The Drugs and Magic Remedies Act or Objectionable Advertisement Act (1954)

This act prohibits advertisements of drugs for certain diseases like blindness, heart diseases etc.

8. Prevention of Food Adulteration Act (PFA) 1954

Food is an essential need of consumers regardless of social/economic status. The Government has therefore enacted legislation to safe guard the life and health of the people.

The PFA Act protects consumers against adulterated and contaminated food, by laying down the guide lines for setting up standards for various food items-The PFA standards.

The Act provides punishment against food adulteration which are hazardous and dangerous.

9. The Dangerous Drug Act 1970

This Act empowers government to control sale, supply and distribution of drugs which are injurious and dangerous to life of consumers.

10. The Prevention of Black Marketing or Maintenance of Supplies of Essential Commodities Act 1980

The act curbs black marketing and maintains the supplies of essential commodities to the consumer. Offenders are strictly punishable under this act.

11. The Standards of Weights and Measures Act 1976

This Act was the result of governmental efforts to introduce uniform standards for weighing and measuring commodities to protect consumer interest.

The Act provides for

1. Establishment of an International system of units (Metric) for weighing and measuring.
2. Formulation of specifications for weights, measures and equipments used for weighing and measuring.
3. Approval of models of equipments before they are manufactured.
4. Regulation of procedure for verification and stamping of weights and measures sent from one state to another.
5. Establishment of an institute to provide training in legal metrology or for carrying out research in allied branches.
6. Regulation of packaged commodities sold in the course of inter –state trade

Under these rules, every package for retail sale must carry the following information on the package directly or on an affixed label;

7. The common name of the product in the package.
8. The name and address of the manufacturer / packer.

9. The net weight of the content.

10. Manufacturing /packaging date with month and year except in the case of certified specific commodities like liquid milk, bread, butter, ice-cream, fresh unbanned vegetables, fruits and the like products.

11. The sale price printed in the form of maximum Retail price (MRP). All the printed matter should be clear, legible definite and not vague and misleading.

12. The packs should offer qualities specified in the rules.

12. The Trade Merchandise Marks Act 1954

The Act provides for punishment for violation of the provisions of the Act relating to trade marks.

13. The Consumer Protection Act 1986

The Act ensures quick action and inexpensive arbitration on consumer complaints.

i The Act provides for establishment of consumer councils at central and state level for protecting consumer interests and rights.

ii The Act provides establishment of other authorities for settlement of consumer disputes through consumer redressal agencies viz

- Consumer Disputes Redressal Forum
- As the District Forum by the state Government at each district with prior approval of central government.
- State commission to be established at the state level and National consumer Disputes Redressal Commission established by the central Government by Notification.
- District Forum entertains complaints where the value of goods or services and compensation, if any , claimed is less than Rs 1 lakh.

- State commission will look into complaints of claim of Rs 1-10 lakhs and hear appeal against District Forum.
- National Commission receives complaints where the value of goods and services exceeds Rs 10 lakhs.

There is provision for imprisonment and fine also in the Act (for 1 month to 3 years) or with fine not less than Rs 2000/- or with both.

The AIR (Prevention and Control of Pollution) Act 1981

This Act provides for the prevention, control and removal of pollution from the air we breathe, contravention of any of the provision is liable for punishment and fine.

The Environment Protection Act-1986

Any complaints made by the public to the Government about the pollution, problems has to be acted upon within 60 days. If not, the complaint can go to court against the body under complaint as well as the Government, state or control as the case may be. *If any solid, liquid or gas is present in the environment which is injurious to health, stringent penalties are imposed. Punishment of violation of the Act can lead to 5 years imprisonment and one lakh rupees fine or both.

Standards of Weights and Measures (Enforcement) Act 1985

This Act was passed by parliament for the purpose of uniformity in the enforcement of the standards of weights and Measures Act. 1976. It provides for more effective protection to consumers and covers all measuring instruments used in buying and selling, industrial production and those used for human health and safety. The Act contains provisions to defer offenders especially those indulging in under weight.

Electrical Appliances (Quality Control) Order, 1988

In May 1976, the government first notified the household electrical appliances (Quality Control) Order bringing 55 electrical items under compulsory quality control. The order was to come into effect from November that year, but under pressure from the industry, the government reduced in October, the number of items under compulsory quality control to 41. It also changed the date of implementation twice, giving manufacturers more time to improve the quality of their goods. Then in 1981, it issued another notification to bring down the number of items to 40.

CHAPTER- 9

CONSUMER FORUMS, PROCEDURE TO FILING THE APPEAL

To provide cheap, speedy and simple redressal to consumer disputes, quasi-judicial machinery is set up at each District forums, State consumer forums and National consumer disputes Redressal commission respectively. At present, there are 604 District Forum, 35 state commissions with apex body as National consumer Disputes Redressal commission (NCDRC) at New Delhi.

1. **National Commission:** It is headed by a sitting or retired judge of the supreme court of India. A written complaint, as amended by consumer protection Act can be filed before national commission (above Rupees one crore) in relation to a product or in respect of a service.
2. **State Consumer Forum:** State consumer disputes redressal commission is headed by a sitting or retired judge of the high court of the state. A written complaint, as amended by consumer protection Act, 2002, can be filed before State commission (up to Rs one crore in relation to product or in respect of a service).
3. **District Consumer Forums:** District forum is headed by a sitting/ retired judge of District court. A written complaint as amended by consumer protection Act 2002 can be filed before the District Consumer Forum up to Rs twenty lakhs in relation to a product or in respect of a service.

A consumer can file a complaint in the District consumer Forum and seek redressal of the grievances under the consumer protection Act 1986. Under this Act quasi-judicial bodies have been empowered to give relief of a specific nature and to award compensation to consumers.

The Act provides for setting up of consumer protection councils in the centre, the States and the Union territories.

Who Can File Complaint?

- An aggrieved consumer can file a complaint.
- An voluntary consumer organization registered under societies Registration Act 1860 or companies Act 1956 or under any other law in force.
- The State Government or Union Territory Administration

WHAT CONSTITUTES A COMPLAINT?

A complaint under consumer protection Act means any allegation in writing made by a complaint in regard to one or more of the following.

- that he has suffered loss or damage as a result of any unfair trade practices adopted by any trader.
- That the goods mentioned in the complaint suffer from one or more defect.
- That services mentioned in the complaint suffer from defience in any respect.
- That a trader charged for the goods mentioned in the complaint a price in excess of the MRP. Services include even those provided by the Government like telephone, posts etc.

WHERE TO FILE A COMPLAINT?

- The consumer can move either the
 - District Forum or
 - The State commission or
 - The National commission.
1. If the cost of goods and services and compensation asked for is less than Rs 5 lakh District forum is to be moved.

2. If the cost is more than Rs 5 lakhs but less than Rs 20 lakhs complaints can be filed before State commissioner.
3. National Commission shall deal appeals arising from decisions of state commission.

HOW TO FILE COMPLAINT

The procedure for filing complaints for redressal is

- No fee for filing complaints before the District forum, the state commission or National Commission.
- The complaint or his authorised agent can also present the complaint in person or send it by post.
- A copy of complaint may also be sent to same active voluntary consumer organization.

Procedure to Filing The Appeal:

There is no fee for filing the appeal before the state or National Commission. Levels of forums for redressal is indicated below

Relief Available to Consumers

Reliefs that can be claimed by the complaints from the opposite party are

1. Replacement of defective goods.
2. Pay the price of the goods
3. Remove the defects in the goods or
4. Pay damage suffered by the complaint.

Time limit for deciding complaint Appeal

It is implied in the consumer protection Act to provide simple, speedy and inexpensive redressal to consumer grievances. The following provisions have been incorporated in the

Act.

It is obligatory on the complaint or appellant or their authorized agents and the opposite parties to appear before the Forum or commission on the date of hearing. The National Commission, State Commission and District Forums are required to decide complaints within a period of 3 months from the date of receiving the notice by the opposite party.

National commission and state commission are required to decide the appeal as far as possible within 90 days from the date of hearings.

The order of the District Forum/State Commission/National Commission need to be signed and dated by their members and communicated to the parties free of charge.

Filing a complaint

To be filed in Triplicate District Forum:.....

Complainant V/S Complaint under Consumer Protection Act-1986

Sir, The complainants begs to submit as under,

1. The name description and the address of the complainants
2. The name description and address of the opposite party or parties, as the case may be as far as they can be ascertained.
3. The facts relating to complaint and when and where it arose.
4. Documents, if any, in support of allegations contained in the complaint.
 1. Removal of defects from the goods.
 2. Replacement of the goods.
 3. Refund of the price paid.
 4. Award of compensation for the loss or injury suffered.

That the various facts and reasons stated above may be considered. The complainant prays that the learned district Forum be pleased to order the relief sought by the complainant.

Complainant Verified at

“(Name of the District forum)” that the contents of paras 1 to 4 are true to be best of knowledge of the complainants and nothing there in has been concealed. Complainant.

CHAPTER-10

CONSUMER BEHAVIOUR, CONCEPTS OF CONSUMER CHOICE CONSUMER BEHAVIOR, INTELLIGENT BUYMANSHIP, CONSUMER AIDS

Introduction

It is a familiar phenomenon to find people reaching to a situation or environment in different ways at different times. Behavior and attitudes to buying depend of number of factors such as habits recognition, price, impulse emotion and unpredictability. Some choices are purely determined by habits. Ex: some people who are used to a particular brand of perfume will buy same brand again even, if there are many brands at lower prices. What people recognize as being familiar in terms of brands, packing, flavor, color etc. will always be chosen for purchase and use. People even reject the new product without trying if they carry a different brand. Consumer's decisions regarding products may be made with price in mind. Their choices therefore depend on how economical a product is within their purchasing power. Some people react on impulse without giving a thought to products, people and services. They are easily attracted by physical features. It is this class of consumers who get greatly influenced by attractively advertised products because they are insensitive to brand images. Consumers often react to emotional appeals and respond strongly to image related products.

-Responses related to social class, fashions etc are common examples.

Some people behave in very unpredictable ways and tend to go for every new product. They are unstable in choice and want to be noticed in society by purchasing latest products. In general consumer behavior is influenced by tradition, culture, religion or society of which consumers forms a part. In addition environmental influence and purchasing power affect the choices to an extent.

Concepts of Consumer Choice Consumer Behavior

Consumer behavior is a function of the individual involved in relation to -

- The product category and
- The current situation

Consumer behavior is not uniform. It differs from individual to individual. It is preference for any product such as food, clothing, housing; entertainment etc. A consumer is different from another consumer. Thus consumer behavior is indicated in purchasing goods from one person to another. The purchasing and consumption behavior of the consumer for the same product will often change depending on the situation in facing at that time. Consumer behavior is also influenced by

- Individual characteristics
- Product characteristics and
- Situational characteristics

Factors influencing consumer decisions in relation to buying of goods and services

Consumer's decisions regarding the buying of goods and services depend upon a variety of factors influencing their buying behavior. The life style itself is influenced by

1. Age
2. Sex
3. Family size
4. Occupation
5. Employment status
6. Mobility

7. Educational status
8. Environment
9. Marketing activities, Culture and subculture', Perception and Learning, Personality Traits, Emotions and Values etc.

1. **Age:** The kind of product that satisfies needs or desires at different ages will influence buying decisions. Age affects the kind of choice made.
2. **Sex:** Men and women differ in their product choices according to the basic differences in their personality and other traits which exist between the sexes. Women by nature behave habitually and in a cognitive manner. They usually hesitate to buy new products which they have not heard about. In contrast men try new products more easily and readily. The males have a tendency to decide quickly and buy at a first shop where the needed product is available, while women usually survey the market before making the decision on buying. Women generally get attracted by discount sales, attractive packages etc.
3. **Family Size:** The size of the family always influences the choice. If family is large, decisions will be influenced more by the priorities of products rather than other factors. Most decisions made will be habitual, cognitive, economic and productive.
4. **Social Status:** This directly affects the purchasing power of the families. Higher the income more will be the expenditure on luxuries and lesser percentage on basic needs especially on food.
5. **Occupation:** The nature of the job reflects the needs of the people. The requirements of the products will be guided by their leisure time, company they keep at work, environment and location.

6. **Employment Status:** The level of hierarchy at which people are placed in an organization reflects their economic and social status and influences their choices. Ex: A clerk in a government office may have only enough money to afford basic needs of life for his family. An officer in the same office can spend more on luxuries.
7. **Mobility:** If the people have to travel long distances to work, their products decisions will be guided by the hours away from the house and the time they spend on travel
8. **Educational Status:** An educated consumer is likely to make more rational rather than cognitive or impulsive decisions as compared to one who is illiterate and is unaware about what else is available to him. Education prepares a person to make better choices with confidence.
9. **Environment:** People's immediate family and social environment have a great influence on choices. People wear, eat or use what others do. They easily get influenced by siblings, colleagues and others. These influences are linked to consumers through information search and then processing it.

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Methods of Buying:

Methods of buying are based on interaction between buyer and seller. Method of buying involves three stages:

- Inputs
- Process and
- Output
- **Inputs:** This stage of buying method involves a stimulus. It is in the form of a firm marketing efforts which can be designed to expose their products disseminate information about them and influence consumers.

- **Process:** The process stage of buying method is through advertising, price strategies, distribution networks and other marketing functions.
- **Output:** This stage refers to the consumers being influenced to buy the product. The product or services is out of sellers custody and is in to the buyer's hand in exchange for money

Buying process

Buying process involving different steps depends upon

- Buyers personality
- Motivation and
- Attitudes

The Steps Involved Relates To

- Need
- Product awareness
- Interest
- Evaluation
- Purchase

Need: A consumer has to first recognize the need for a product before he is motivated to go out to buy. The need must be strong enough to generate a feeling of essentiality to initiate the action to buy it.

Product Awareness: A consumer must be aware of the availability of the products for his satisfaction of a particular need before he can decide on what to buy. If consumer is unaware of the variety of items in the market then it is difficult to find out the alternatives available in the market.

Interest: Awareness of the availability of the product in the market may lead to buy it provided the buyer has developed interest in buying it. Lack of interest may be due to lack of the required quality or quantity in the pack of the product.

Evaluation: A consumer needs to evaluate the product in terms of its quality, quantity and price permit before making a purchase decision.

Purchase: Purchase of a product takes place after the consumer has made the evaluation of the same.

Wise buying decision: Wise buying of a product may result in;

- Saving in money out lay or
- Increased satisfaction of the family

Buying Is A Complex Process. Good buying involves finding answers to a number of questions. Purchase of any product involves decision as to

- What to buy
- When to buy
- How to buy
- How much to buy
- Where to buy
- How much to pay (at what cost?)

Wise Buying Practice:

The consumer has to select the article which will satisfy his/family wants. He needs adequate information about the availability of the article and its quality etc. Hence has to gather information about the market offering through;

- Inspection

- Testing and
- Trial

Inspection: Is possible through visiting shops/stores in the market and find out the facts about the color, shape, size, design etc of the article.

Test and Trial: is not possible in case of some articles. However testing and trails before deciding to buy regularly can be done only through buying and using the articles and then choose the one which satisfies his or her family's requirement.

Guidelines While deciding to Buy

- Decide what you need
- Decide on the quantity that will be sufficient and prepare the order of priority.
- Go to the store and ask for what you need. If it is not available ask for a substitute.
- Evaluate the product suggested by the seller by looking for brand name, price, trade mark etc.
- Buy perishable goods if they are seasonal.
- Buy non perishable goods in quantity.
- Prefer to buy products with quality certification marks

When to Buy

- Consumer should buy an article only when he needs it.
- He should buy when it is convenient for him to buy
- Convenience of buying depends on the easy availability of the goods from the stores when he needs it.
- Postponing of buying is helpful in avoiding spoilage of goods and it may be suitable when change in consumer needs and fashion change.

Disadvantages of buying based on needs

There are certain disadvantages when purchases are at the time of need

- The consumer (buyer) may pay more when he buys at the time of need
- He may not find what he exactly wants
- The seller may charge more for his storage of goods

Buying goods in advance-Advantages

- Buying goods in advance is useful
- When the future needs are determined
- When prices are likely to rise in future
- When the quality of goods is higher presently
- When there is adequate storage space
- When there is an offer of reduced rate

Buying during seasons and off seasons

Some goods are costly during some seasons like the price of refrigerator during summer. Hence such goods should be brought during off season. However some goods are cheap during some season as they are available during those seasons. In some cases newly introduced goods are costly. Hence it is better to wait for some time and buy when the prices come down.

How to buy:

There are different ways of buying goods and services

Major Ways of Buying Are

1. Cash purchases

2. Credit purchases
3. Credit card
4. Instrument buying
5. Hire purchase
6. Mortgage purchase
7. Mail buying
8. Tele marketing
9. Black marketing

Cash Purchase: Cash purchase method is the most common practice. It is simple and the consumer can demand a particular brand, quality and quantity. A person can buy according to his budget. Hence he can avoid impulsive buying. Buyer gets better treatment from seller because the seller gets cash payment immediately.

Credit Purchase: This is a convenient way of buying daily necessities from grocery shops or other suppliers. Credit buying saves efforts to carry money and time in calculating the same for required buying. Credit buying may help in ordering goods over telephones without visiting the shops or making cash payment. However there are some disadvantages on buying on credit. The seller may charge service charges. The customer may be tempted to buy more as he has the credit facility.

Credit Cards: Credit cards are offered by a number of banks and sellers credit cards facilitate buying without payment of cash: The advantages of credit are emphasized by banks and credit card companies (which enables) these cards enable people to buy goods and services when there is shortage of cash. However such

purchases tempt credit cardholders to spend more than what their income permits and they may find it difficult to cope with payment liabilities.

Credit card has disadvantages which the buyers have to note before using them. They have to make payment within a specified period after the use of credit card like one month. Another difficulty is if the credit card is lost it may be used by others who have stolen it and the liability of making payment will be on the card holder. Thus it is better to make purchases on cash to avoid the above difficulties of using credit cards.

Installment Buying

This method of buying is easy since the buyer pays the money in equal installment instead of a down payment of entire amount. Costly goods T.V. refrigerators etc are bought on installment basis by those who cannot pay the entire amount at a time. However the buyer will be paying more for the goods under this type of payment. But he will possess the goods before all the installments are paid. The title of the property shall not pass on to the buyer till the entire amount is paid.

Hire Purchase

The product is hired by the purchaser on monthly payment and interest is paid to the seller. The buyer is using the goods without being the owner. When the price of the amount along with the interest is fully paid he will be purchasing the article and becomes the owner. High priced goods like car or house are bought on this basis.

Mortgage Purchase

Mortgage purchases relate usually to purchases of property or house. The property is pledged as a security with some initial payment. The future installment payments are settled in advance and the house or the property is taken possession of. As soon as

the amount is fully paid the mortgage papers are returned to the buyer. In case the buyer is unable to make the payment the seller can sell mortgaged securities and recover the amount owing to him. The buyer will be loosing the house and the securities or only the securities as per the agreed terms of mortgage. A third party guarantee is usually provided to the seller for payments incase of death or other inability.

Mail Buying

This type of buying is done through postal correspondence between the seller and the buyer. The advertised information regarding the articles their quality, price and design etc are mentioned when a buyer gives an order through post. The supplier sends the bills including the postage and supplies the articles on receipt of the money payment may be made by the postal order or bank draft.

Telemarketing and Online Marketing

Telemarketing is the buying and selling through telephone messages. The buyer sends the order through telephone to the seller specifying the type of article and the seller sends them to the buyer through usual transport. The buyer makes payment and takes delivery of the same. Online marketing is done through orders sent by the buyer using credit card. The seller delivers the goods to the consumers at his doorstep. Tele marketing and online marketing is similar in placing orders and delivery. The difference lies in sending orders.

Black-marketing

This is an illegal method of marketing where goods are sold at much higher prices than the prevailing market prices. Such methods are followed due to shortages of goods. This is a very exploitative method of selling. Such practices are observed in

selling of rail and air tickets, cinema ticket, smuggled goods, imported goods. Most of the buyers belong to high income groups and those who can not wait for long, standing in queues and who want to save time.

MAIN CATEGORIES OF CONSUMER AIDS ARE:

- Information
- Product safety
- Protection
- Education
- Service/Consumer Aids

Information: Consumer needs information about

- Products
- Procedures
- Services and
- Facilities

Information on these aspects helps the consumers in making appropriate decisions in their day to day living. The sources of information on these aspects are available from

- label on products
- manufacturers catalogues
- Advertisements
- Press reports
- Consumer magazines
- Government notifications
- Through Academics and other knowledgeable persons

- Consumers

MANUFACTURERS CATALOGUES

These are booklets or leaflets supplied by manufacturers along with their goods. They give details of maintenance, installation instructions and service centers and other information that labels provide. These are generally provided with consumer durables like TV, Radio, Refrigerators, and Vehicles etc.

Advertisements

The advertisement tries to impress about the prestige, social involvement, familiarity of the product and the manufacturer. Despite all these aspects of advertisements as a source of information consumers should try to use their own judgement regarding the product and whether to buy or not. (For more information refer chapter on Advertisement)

Press reports

Press reports provide news items in daily or weekly newspaper pertaining to consumer's interest and there by educate the consumers. Consumers can obtain information on price, legal enactment redressal cases etc.

Consumer Magazines

Consumer Magazines provide information press reports and also guide and educate consumers.

Government notifications

Government notifications appear in the gazette in the form of laws, amendments to existing laws. They relate to tax policy certification, government control etc.

Consumers

Consumers can learn through their own buying experiences and compare the prices and quality of goods among themselves, this way the consumers themselves can be a source of information about markets, goods etc.

Other Major Groups Of Consumer Aids Are As Follows:

Product safety

Products used by consumers must be safe for his health such as food items. Further an appliance should protect consumer from shocks, fire or other kinds of accidents. Government has set up certain recognizable marks of quality which manufacturers can obtain for certifying their products.

Certification schemes are voluntary and are carried out on request from manufacturers. Producers desiring to get their products marked for quality have to subject their manufacturing processes, equipment and products to stringent tests of quality which includes product safety.

The testing is carried out in authorized laboratories. The products have to pass the tests subsequently they are permitted to be marked or certified as being of the accepted quality.

Protection:

Consumer protection can be achieved if there is an infrastructure legally established to enforce on producers and manufacturers competence of the standards laid down for safe products. Government has now proposed setting up of national Quality Control Council for application of global standards in Indian industries. Department of Electronics has set up a fullfledged standardization, testing and quality control. Directorate with 23 laboratories.

Guarantee and warrantee are an assurance of the quality and of the service often with a promise of reimbursement or an exchange or replacement. Both terms are interchangeable, both are synonymous. In practice a guarantee generally covers certain parts and related cost, while warranty covers only change of defective part. A warranty is a specific promise made by the manufacturer or retailer concerning quality condition, performance etc.

Company products are sold by retail outlets. They sell both quality as well as inferior products. Retailers however do not guarantee or stand by the guarantee of the manufacturers. In such cases the consumer should avail of the services given by the manufacturers.

Consumer can get protection under the statutory provisions. Government has enacted many laws for this purpose. Consumer can avail these provisions and also take help of consumer organization. These two aspects have been explained in separate chapters in the book.

Consumer education:

Most important aid to any consumer is education which would prepare him to use all these aids to solve his problems. The consumer has to avail of the various agencies both government and voluntary.

Consumer service: Various government and voluntary organizations have been working for the consumer interest. They have laid down guidelines for maintaining safety, quality and prices of products and services. These organizations help consumers in many ways viz

1. Providing information about the products and the market.
2. Buying from manufacturers and selling them to consumers at reasonable prices.
3. Testing products in markets for defects.
4. Representing consumers in consumer courts for purpose of redressal.
5. Helping consumer movement in a better and more organized manner.
6. Making efforts to influence and guide the policies of the Government on issues concerning consumer interests.

There are about 600 consumer organizations in India working for the cause of consumers. There is the Confederation of Indian Consumer Organization (CICO) formed by large number of consumer organization for the interest of consumers.

Thus there are options for Indian Consumers in selecting appropriate tools and techniques as aids.

CHAPTER -11

STANDARD, STANDARDIZATION AND LEGISLATIVE MEASURES FOR REGULATING QUALITY

Meaning of Standardization:

The function of standardization means the determination of the basic standards, measures or limits to the quality of different classes of products on the basis of a list of specifications. It is the process of determination of basic standards or measures of quality to which different products actually confirm to the established standards. It is the process of determining the class or grades of a product on the basis of certain basic standards or measures of quality already decided upon.

Elements of standardization

The function of standardization comprises a number of elements. They are

1. Standardization or standardizing (i.e. the setting up of the standards measures of quality to attain).
 2. Grading (i.e. the sorting out or classification of products in different classes, grades or lots) in accordance with the predetermined or established standards.
 3. Inspecting or inspection (i.e. inspection of the products to ensure that they have the required standards.)
 4. Labelling is putting some sign on the product or on the container to indicate the grade or quality of the product).
1. **Standardization:** It means the determination of the basic standards for different grades of a product. Standard is a measure that is generally accepted or having a fixed value. It is established on the basis of predetermined physical characteristics

of the product, such as size, color, appearance, chemical content, strength, shape, specific quality where ever it is bought.

2. **Grading:** It is the process of sorting out the products into different grades of uniform quality, size, weight etc.

Types of Grading: It may be done on the basis of fixed standards or varying standards.

1. **Fixed grading:** It refers to the grading of goods according to a fixed standard. This type of grading is, generally followed in the case of products like wheat, cotton, dairy products etc.
2. **Variable grading:** In this type the specifications to be taken into account for the purpose of grading are required to be varied or changed from year to year in accordance with the quality of goods coming to the market from year to year. This type generally followed in case of products like fruits, vegetable etc where quality varies from year to year.
3. **Inspection:** it is the task of confirming the quality of each grade of a product. If standardization function is to be really effective, there should be some forms of inspection of goods.
4. **Labeling:** label is anything, a piece of paper painted statements, imprinted metal, leather etc forming part of or attached to a product and giving some verbal information to the consumers about the products .It says the place of productions the name of the producer, content of the product, value of the product, price etc. The art of attaching or tagging the labels to the products for grade identification is called as labeling.

Significance of standardization function:

Standardization Plays an Important Role in Marketing

1. Standardization simplifies the purchase and sale of goods.
2. The markets for standardized goods are widened. There is also a possibility of sale of graded goods by more description; buyers in distant market also can enter into exchange.
3. It inspires confidence in the minds of consumers about the quality of goods.
4. It enables the consumers to identify the specific features of the goods they buy.
5. It contributes to the success of the sale efforts of the manufacturers.
6. Advertising and salesmanship will be relatively easier and cheaper in the case of standardized goods than which are not standardized.
7. Standardization simplifies the task of fixation of prices of goods.

Basis of standards

The fundamental characteristics of the production on the basis of which standards are established are known as the basis of standards. There are different bases of standards. The most commonly used bases are quality, size and measurements, quality and color. Generally standards are determined on more than one basis Eg: Food grains are standardized on the basis of weight and quality.

1. Raw cotton is standardized on the basis of the color, length of the fibre and quality.
2. Fruits are standardized on the basis of size, color and quality.

The important bases of standards may be grouped as

1. Quantity standards
2. Standards of size and measurement
3. Quality standards

1. Quantity standards:

Many commodities are sold on the basis of quantity or weight. In case of such commodities, weights and measures have to be standardized . The quantity standards are prescribed and enforced by the government

2. **Standards of size and measurement:**

In the marketing of manufactured consumers goods like cloth, shoes etc and engineering goods like bolts, nuts, screws etc paper and forest products like timber, size and measurements are very important so, in case of such products size and measurements have to be standardized i.e size and measurement standards have to be established and maintained by the manufacturers or producers and these products or manufacturers produce these products in the standards size and measurements.

3. **Quality standards**

It is very difficult to establish quality standards . but for the purpose of standardization certain quality standards are required to be established and maintained . it is for this reason that many consumer goods like fruits, eggs etc are standardized on the basis of quality , colour, taste freshness etc.

Standardization of different products:

1. Standardization of agricultural products
2. Standardization of products of other extractive industries-mining and forestry
3. Standardization of manufactured goods.

Control of standards

Control of standards may be undertaken by several agencies etc. the various agencies that can control the standards are as follows.

1. **Agencies of the Government:** In India, the state and local Governments control the standards for weights and measures and the purity of good products.

2. **Produce Exchange:** Produce or commodity exchanges also exercise control over the quality of the products traded in the exchange.
3. **Trade association:** Trade association exercise control over the quality of the products of their members. Eg: East India cotton Association, the Bombay oilseeds and oil exchange, etc control the quality of the products of their respective industries.
4. **Industrial users or manufacturers** exercise control over the quality of the products which they buy as raw materials. They can control the quality of the raw materials by insisting on the supply of raw materials of specific quality.
5. **Farmers:** By using scientific fertilizers and adopting better methods of cultivation can exercise some control over the quality of control.
6. **Consumer:** They can exercise certain degree of control over the quality of the goods by forming associations and fight for the improvement of the quality of the products by refusing to buy the goods which are below certain standards goods graded before they are marked.

Standardization in India: Standardization movement is of recent development. It was introduced only in 1937. Today a god number of agricultural commodities and manufactured goods of the country are standardized and graded.

Agencies concerned with standardization

There are many agencies concerned with the standardization and grading of agricultural and manufacture goods.

- The central agricultural marketing department
- The Directorate of marketing and Inspection

- The central and state warehousing corporations and grading of agricultural commodities.
- The Indian Standards Institute under take the standardization and grading of Agricultural commodities and manufactured goods.

CERTIFICATION:

Certification on products is useful to both manufacturers and consumers. For the manufacturers they provide a third party guarantee of quality which helps to increase their sales potential. It also protects them from exploitation by Inspecting staff. For the consumers marking ensures that the products meet normally expected requirements. Manufacturers having requisite production and testing facilities may apply for a license under the certification scheme of the Bureau.

Certification marks:

The certification marks include Agmark, PFA standards, FPO certification, ISI mark, ISO 9000 standards etc.

1. Agmark

Agmark is a trade mark of quality control set up by the government. Agmark is given for physical and chemical characteristics in both natural and processed products.

Agmark covers products like cotton, tobacco, oils and fats, cereals, pulses, fruits, vegetables, jaggery and spices. The Agmark standards cover 142 agricultural, horticultural, forest and live stock products. The Agmark certification on any product assures the consumer of correct selling practices like quality and purity of the product, correct weights and relevant chemical and physical characteristics of the product. The consumer should look for

Agmark seal before purchasing any agricultural produce as it ensures not only product ratability but also pose no health hazards.

2. PFA standards:

PFA standards were formulated in 1955 after the enactment of prevention of Food Adulteration Act 1954. The standards specify the minimum standards for all types of foods that are marketed.

- ### **3. FPO certification:** FPO relates to Fruit products Order passed by the Government in 1946 under the Defense of Indian Rules. As per this order FPO standards were formulated to protect quality of fruits and vegetables reaching the consumer. These standards were brought under the purview of the essential commodities Act 1955. The FPO standards are mainly concerned with the standards required for maintaining the quality of fruits and vegetables and any products manufactured from them. The order specifies the conditions of hygiene and sanitation required to be maintained by the manufacturers. It specifies the contents of labels and the type and nature of packing to be used. The order requires that all manufactures possess a license for the production and sale of such products.

4. ISI mark:

ISI certification marks are issued only to those manufacturers who's goods according to the ISI's specifications

ISI is a certification mark of the Bureau of Indian Standards (BIS) which was earlier called the Indian Standards Institution. The BIS has published over 15000 standards covering product specifications, method of test, codes of practices and others.

The ISI covers food items, such as vegetables, fruits and meat products spices and condiments, processed foods cereals and soya products candies and beverages.

Other products covered by ISI are electrical goods, soaps detergent, paints paper etc.

5. ISO 9000 standards:

The ISO 9000 series of standards are brought out by International Organization for standardization. They have been internationally accepted as suitable tool for achieving the necessary harmonization among national standards. ISO 9000 has been accepted by all countries of the European Community and European Free Trade Association. The objective of ISO is facilitate the development of international standards in order to reduce the barriers effect of different national standards on international trade of goods and services. ISO is non government organization and not a part of United Nation and its standards are not mandatory in nature.

ISO 9000 automatically provides control to ensure quality of production and delivery and reduces waste, down time labour inefficiencies, thereby increasing productivity. ISO 9000 standards institutionalize all activities relating to quality and thus a total system of quality is thrown open for verification by the customer and assures him that the organization is capable of desired quality, ISO 9000 series of Indian Standards.

6. Hall mark quality standards for gold:

The Bureau of Indian Standards uses BIS certificate for the exact gold content in jewellery. It is known as 'Hall marking' of gold which indicates gold content on a scale of 1000. Hall marking is a tool proof method to accurately determines and record the exact gold content in jewellery. The BIS certification is issued to jewelers who need it. They have to apply to BIS and ensure homogeneity of jewelry offered for hall marking by following a systematic quality management system.

This confirming test reports will form the basis for certification of Jewelers BIS recognized. Assessing and Hall marking centers which follow national international norms for sampling and testing conduct the testing the purity of gold. Consumers can be absolutely be sure of its carat and fineness.

7. Eco-mark:

Eco-mark schemes focuses on preserving the environment to keep “it pollution free”. This scheme is launched by the BIS at the instance of the Ministry of Environment and Forest. An earthen pot is the logo for the Eco-mark scheme and the products which carries it does least damage to the environment. Eco-mark helps to guide the consumers in making the right choice. Consumers who buy a product with an Eco-mark understand that this product does not contain any thing with potential for pollution in production use and disposal. Product categorized under the scheme include soaps and detergents plastics, food items, paper , textiles, preservatives, cosmetics, batteries, lubricant oils, packaging materials, Aerosols, wood substitutes etc.

8. Wool mark:

Wool mark is the standard mark of the International wool secretariat. Wool mark is a certification mark which appears on wool or woollen garments of quality. It indicates that the wool is pure and the marked garment is not made of other fibers but only pure wool. Wool labeling is done in different ways in terms of wool, reciprocal wool, reused wool and wool products defined for the convenience of consumers.

9. Silk mark:

The Silk Mark is a quality assurance label for the assurance of pure silk and in addition serves as a brand for generic promotion of Pure Silk. The Silk Mark is a registered Trade Mark. The Silk Mark can be used in all silk products ranging from

Yarn stage to the Finished stage like Dress Material, Made ups, Garments, Carpets and Sarees.

CHAPTER-12

SOURCES OF CONSUMER INFORMATION-ADVERTISEMENT, LABELS, PACKAGING ETC

Meaning

Advertising

It is a tool which is used by both consumer and producer. Producer uses this to introduce their product in market and consumer uses this to know about existence of different brands of products advertisement increases the rate of sale it may be audio-visual or printed media. The development of advertisement tools place only with the advent of the individual revolution of the 18th and 19th centuries. Advertising is a method of publicity. The word advertising is derived from the Latin word 'Adverto', 'ad' means towards and 'verto' meaning I turn. Literally it means to turn people's attention to a specific thing. Briefly stating "advertising is the art of influencing human actions, the awakening of the desires to possess, and possess one's product. It is a mass persuasion and it is any form of publicity given to products or services at the expense of the persons who wants such publicity for bringing his products and services to the notice of the general public". It may be noted that significant differences exist between 'advertising' and an advertisement.

1. Advertisement is simply the message itself where as advertising is a process, -a programme or a services of activities necessary to prepare the message and bring it to the intended persons.
2. Public knows the person behind advertising because the sponsor is openly identified in the advertisement itself.

3. Payment is made by the sponsor to the media which carries the advertisement.

Influencing methods of advertisements:

The methods used to influence consumers by advertisements are

1. Non rational argumentation
2. Proper agenda
3. Indoctrinations
4. Imperative influence
5. Hidden influence
6. Rhetoric

1. **Non rational argumentation-** Non rationals are involved in some types of advertisements to appeal to people's emotions, feelings etc. Without rational thinking they are provocative and exploit the consumer's susceptibility to beauty romance etc.
2. **Propaganda-**The messages of advertisements of this type influence the consumer in particular directions viz soaps are made using 'Tulsi' or with 'Gangajal' etc.
3. **Indoctrination-** These advertisements are persuasive and stress the importance of the product through propaganda.
4. **Imperative influence-** Consumers are made to respond and react to such type of advertisements viz 'write a sentence' or 'fill in the blank' to invoke a sense of competition for an award.
5. **Hidden influence-** Advertisements are in the form of brochures which are mistaken as journals or periodicals. Headlines like 'customer services' or 'information Desk is used in news paper to mislead the consumers or general public.

6. **Rhetoric**-This is one effective method of persuasion . The sender of the message tries to impress about his prestige to enhance the credibility of the message.

The advertisement tries to impress about the prestige, social involvement, familiarity of the product and the manufacturer. Despite all these aspects of advertisements as a source of information consumers should try to use their own judgement regarding the product and whether to buy or not.

Elements of Advertising

1. It is a mass non-personal communication, reaching large groups of buyers. It is not delivered by an actual person, nor it is addressed to a specific person.
2. It is a matter of record, gives information for the benefit of buyers, it guides them to a more satisfactory expenditure of their hard earned money. The contents of advertisements are what the advertiser wants.
3. It persuades buyers to purchase the goods advertised, which means that advertising devoid of persuasion is ineffective. To persuade the buyers the advertiser makes his products buyer satisfying.
4. The ultimate objective of advertising is to earn maximum net profit in the long run.

Functions of advertisements:

1. It leads to cheaper prices. No advertiser could live in the highly competitive area of modern business if his methods of selling were more costly than those of his rivals.
2. It acquaint the public with the features of the goods and advantages which buyers will enjoy.
3. It increases demand for commodities and this results in increased production.
4. It reduces distribution expenses. Information on a mass scale relieves the necessity of expenditure on sales promotion staff, a quicker, wider distribution leads to diminishing of the distribution costs.

5. It ensures the consumers better quality of goods. ; Here F.P.Beshop quotes “An advertisement is either a finger print pointing in the direction of good bargains or a danger signal warning all the Sunday to do no business in a given direction”.
6. It raises the standard of living of the general public by compelling it to use the articles.
7. It establishes good will of the concern.

Groups involved in Advertising:

Five groups are generally involved in product promoting advertises,

1. Buyers
 2. Media
 3. Middlemen
 4. Advertising agencies
 5. Advertisers.
1. **Buyers** may be the persons who do not use the advertisers’ products, or they may be the consumers of the products which the advertiser sells. Here the advertiser may use different devices, the first one may be converted to use the product, The second type may be held and their frequency of purchase increased.
 2. **Media** is a commercial vehicle that carries advertisers’ message to his prospects- news papers, Magazines, radio, televisions etc.
 3. **Middlemen**, the wholesalers and retailers through whom the goods advertised may be purchased.
 4. **Advertising agencies** are the organizations which construct the actual advertisements that consumers see and hear.
 5. **Advertisers** may be retailers and manufactures.

Types of Advertising:

Broadly speaking, advertising may be classified into two categories which are.

1. Product Advertising:
2. Institutional advertising
3. Other types

1. Product Advertising:

The purpose of such advertising is to inform and stimulate the market about advertiser's products or services and to sell these. This type of advertising usually promotes specific, branded products in such a manner as to make the brands seem more durable.

2. Institutional advertising:

It is designed to create a proper attitude towards the seller and to build good will, rather than to sell specific product or services. It's purpose is to create a frame of mind and to implant feelings favorable to the advertiser's company it is subdivided into three categories.

1. The patronage institutional advertising- the manufacturer tells his policies and customers about himself, his policies and his personnel.
2. Public relations institutional advertising is used to create a favorable image of the firm among employees, stock holders or the general public.
3. Public services institutional advertising urge public support.

3. Other types:

1. National or local: when it is sponsored by manufacturers it is known as national when it is placed by retailers it is local.

2. Consumer advertising /industrial advertising: when it is aimed at ultimate consumers who purchase for personal use, it is consumer advertising. Industrial advertising is the one where an industrial user is urged.

Sometimes advertising is also classified by type of appeal used or motives towards which advertising is aimed. Where an advertisement is done to create an image that the housewife would look like a glamorous movie star and thus attempts to create a common bond between them through common use of a brand, it is said to be emotional advertising.

Regulations of Advertisements:

Regarding the harassment done by untruthful advertisements to the community and the individual consumer, the manufactures of good products, advertising agencies and even the government in the certain standards and finishing the violators. The advertising Agencies Association of India has formed the following rules. Members shall place any advertisement in any medium which,

1. Is knowingly a copy of other advertisement
2. Make attack on personal character.
3. Is indecent, Vulgar, suggestive, repulsive or offensive.
4. Is objectionable medical advertising and an offer of free remedial, relief or by inference?
5. Which is regarded by the Executive council of the A.A.A of India as unworthy.

ADVANTAGES

1. Advertising informs the buyers about the existence of the products its features its benefits and its availability.
2. Advertisements offer an incentive to buy by making several direct offers like price offer an exchange of old TV on buying a new T. V

3. Advertisements provoke us to try the product and once tried to remind us about its benefits
4. So that we can buy it time and again.
5. An advertisement builds brand gives an image and personality to the brands over a period of time. It works along with other elements of marketing mix to create brand equality.
6. Advertisements help us to choose out of several brands available. It provides us reasons to buy a particular brand .It thus contributes to our preference and brand loyalty.
7. Advertising being mass communication is the most cost effective way to reach our consumers. In absolute terms the cost of a full page and in a magazine is very high. But when we divide the cost by the number of readers reached the per reader cost is very low.

DISADVANTAGES:

Advertising attracts the interest of government officials as well as consumer group. F Turner in 1966 expressed his views in advertising. While admitting the economic benefits which advertising provides to society he mentioned that “**Advertising has significantly adverse effects on competition in consumer good market**”. The point was made that in some consumer goods industries there was a significant correlation between the proportion of industry sales devoted to advertising and the average profit rates which were earned.”The implication of course is that high advertising outlays by certain firms give them an economic advantage which is difficult to overcome by companies which cannot match the expenditure. According to Turner, there may be several ways in which advertising expenditures promote industrial concentrations. One of the most significant ways is that extensive advertising create barriers to the entry of new firms into markets. In competitive industry we normally expect to find firms entering and leaving the market

during any given period of time although the exit of firms will be made more difficult as a result of the barriers created through extensive advertising that consumer are unable to evaluate the relative merits of competing products the established products may have a considerable advantage and it is this advantage that advertising massagers tend to accent rude. .A further significant factor is the existence of economic of scale in advertising and other forms of promotions to the extent that larger firms can provide more messages per dollar than their smaller rivals they will have a strong competitive advantage and this will be so even if smaller firms spend proportionally as much. Economics of this sort lead directly to the expansion of larger firms relative to their smaller rivals and thereby to more concentrated market structures.

Labels : Label is a part of a product which carries verbal information about the product as the seller. It may be a part of a package or it may be a tag attached directly to the product.

Labeling means that the buyer can see the price for himself and that the seller can concentrate on more substantial services than mere bargaining. Because of the very nature of manufactured products and packaged goods it is difficult for a consumer to know much about the goods. When new a ready made clothing of a good quality and one of a poor quality; look alike. Similarly a blended blanket may look like a teak wood furniture. It is very difficult for a consumer to detect these differences because these products are carefully finished and made ready for sale. Only proper labeling by the manufacture can give a reliable information to a confused consumer to make a rational choice based on quality and contents, rather than an emotional choice based on popularity of a brand name or cost.

Types of labels:

Labels are classified as

1. Grade labels

2. Descriptive labels
3. Informative labels and
4. Care labels.

For many years manufacturers have used labels mainly to identify their own products. These labels are known as “**Brand labels**”. They are valuable because they let the consumer know how to identify and distinguish between a product and another product put up for sale by the same or a different manufacturer or a retailer. Some manufacturers use different brand names to different qualities of the same product, where as some may have only one name but use different grade labels to identify the differences in their quality. Ex: Colgate is the brand name, i.e. brand label

1. **Grade labels** are used for commodities which are produced to conform to certain generally accepted standards and for products which can be classified in conformity with a set of established grades like A, B, C or 1,2, 3 etc. Grade label which give detailed information to buyers who are aware of exact qualities in the standards prescribed for an article. For common consumers these grade labels may not be much useful as they cannot understand the meaning of these grades.

To overcome these constraints many manufacturers and distributors have “**Descriptive label**”

Descriptive labels: Provide information about the general characteristics of the goods. These labels are useful for consumer in choosing goods of their choice. Descriptive labels gives some of the characteristics of the article in which the consumers are interested usually in non-technical terms with a view to make the product attractive to the consumers. Some other terms used in a label may be so general that they have no meaning to a consumer. But some others are helpful to the consumers who may be trying to find just the quality of an article he wants.

Informative labels: contain description of the goods like the composition of the product, its manufacturing details, its performance, care and other uses etc. these labels use simple language and non- technical words. The informative labels usually combine the best features of both grade and descriptive labels. They use grade designations when they are helpful to a consumer. They use descriptive terms which are more effective like the brand labels, they also display the names of the manufacturers or the sale distributor or selling or marketing agents. Ex: packed on 6/04 Batch No B069

Care labels: There are also a few consumer items which carry “care labels”. These are usually seen on textile products or clothing items. Care labels give the information on the care required like” Do not stretch or pull” when the item is in use or while washing care may be taken about the proper temperature of H₂O or use of bleach /soap/detergent powder, whether machine wash or hand wash, brush to be used, whether sun drying or drying in shade or heat dry ironing temperature, when storing use a hanger or store flat or store with a wrapper or in a plastic cover etc. labels are supplied by manufacturer on product packing in printed form usually pasted on every package.

Ex: Dry clean only. quality and contents, rather than an emotional choice based on popularity of a brand name or cost.

Contents of Labels:

Labels if carefully read, gives a lot of information about the product, its use etc. Every label usually contains the following information.

1. Brand name: Ex: Colgate
2. Trade name: Ex: Cibaca Top
3. Price (MRP) : Rs 21/-
4. Manufacturers name and address: Hindustan lever plot no-5, Balanagar, Mumbai
High way Hyderabad-500037.

5. Product name : Toothpaste
6. Net weight of contents: 200 gm.
7. Ingredients: calcium carbonate, sorbitol, silica.
8. Variety and quality
9. Manufacturing and expiry dates: 06/04, 2 years from Date of manufacturing.
10. Batch number: B20
11. License number
12. Directions for use: For best results, squeeze from the bottom and flatten as you go up
13. Standardization mark: ISI
14. Packaging quality number with mark.
15. Detail of color and preservation added: contain and permitted synthetic food colors and added flavors and permitted class II preservatives.

Thus from labels consumers can get the information they require for making suitable buying decisions and also for instructions during their use and storage.

Advantages of Labeling:

1. Labeling includes the amount, directions for use, guaranty of the product, the name of the manufacturer etc.
2. It enables the consumer to make healthier food choices and good quality products such as AGMARK. Label indicates purity and quality of product.
3. Labeling are highly useful to consumer since they prevent the misuse of the products and also consumers are given a chance to select the good quality of their choice.

4. In labeling the instructions are given either in writing or in the form of standard symbols.
5. In some other products like the products which are harmful to human being, the labeling or the instructions like "keep beyond reach of children: etc.

How consumers are cheated by the sellers:

1. Brand labels are copied by small scale domestic industry for promotion of their products

Ex: LAKME-LEKME, PEPSI-PAPSI

2. Some items composition in the label are changed for the promotion of their products. Ex: Vit.11.0gm will be printed but not the expiry date.
3. Some labels may give wrong information and deceive the buyers.

Ex: use product for 4 months use to get glow fairness which after using for 4; years will not show any results. For ex: Fair and Lovely for dark skin.

Meaning of Packaging

Packaging means "the wrapping of goods before they are transported or stored". It is a physical action and provides handling convenience. It is necessary to prevent flowing out of liquids like milks, drinks, juices, it maintains freshness and quality in food products and it can prevent the danger of adulteration in edible oils, medicines and eatables. Packaging is the subdivision of the packing function of marketing. Packaging has been defined as "an activity which is concerned with protection, economy, convenience and promotional considerations". Packaging means to protect the contents of package or a product from any kind of damage such as contamination, breakage, evaporation, pilferage etc.

From the sellers' point of view packaging is sales tools as it encourages impulse buying.

Packaging is closely related to labeling and branding because the label often appears on the package and the brand is typically on the label.

Functions of Packaging

The package contents may be premeasured or preweighted and then placed in a specially designed wrapper or a box for convenient distribution. Basically wrapper or a package fulfills 3 function viz. containment, protection and identification. Attractiveness, convenience, promotional appeal and economy are all other functions associated with packaging.

1. **Containment:** Packaging provides space in which a product is contained. Ex: cosmetics, paints, salts etc.
2. **Protection:** Packaging protects its contents on its route from the manufactures to the consumer and even when it is being used by the consumer. The idea of protection is that it reaches the consumer in sound condition. Protection starts at the factory, moves to the point of purchase in retail stores and then to the consumer for its ultimate usage. Proper packaging can protect the consumer against,
 1. Hazards such as leaky cottoms
 2. Damage to the product
 3. Trett
 4. Deterioration the quality of goods because of effect of light, air or other weather conditions.
3. **Identification:** When goods are stored in warehouses/godowns, till they are transported elsewhere or used, they need to be identified and be clearly distinguished from one brand to another. Most packages therefore, bear the name

of product, its ingredients; packaging creates individuality and helps quick identification.

4. **Convenience:** Wholesalers, retailers, middle men, warehouse keepers and consumers all demand convenience in packages. For example, formerly soft drinks were packaged in glass bottles with lift off caps that required a can or bottle opener, later these were substituted by aluminum cans, which were light but opening was still a difficult task that required a special tool and now they are packaged in pop-top cans, which can be opened even by hand.
5. **Attractiveness:** Packaging enhances the appearance of the product. The design and the label on the package, printed matter, picture, layout or get up of the package, color are often used to improve the appearance and appeal of a product. For example in 50 sec products of oranges, package them in transparent plastic bags with an orange tint which gives the appearance of having a fresher, deeper color. Certain colors are repeated throughout the product line so that distinctiveness is maintained, example: cosmetic manufacturer, who may package an entire line in a particular shade of lemon yellow or soft pink. It's the consumer's job to recognize the maker of the various products in the line. They also create impressions of richness, luxury and exclusiveness by using packages that have certain colors, designs, shapes and textures.
6. **Promotional Appeal:** Products must sell themselves. This is possible if they are placed in more attractive and eye appealing packages, several factors contribute to a package's promotional appeal. The package must be of a suitable size, shape, texture, color. It should be large enough to make a package appear taller, while horizontal lines will make a package appear wider because many people view something that is taller as being bigger and wood or burlap textures, while owner's packages have rounded. Curved shapes and soft, fuzzy textures. Colors on

packages often attract people who associate certain feelings and connections with specific colors, red is associated with specific colors like fire, blood, danger and orange, yellow with sunlight, caution, warmth and vitality, blue can imply coldness, sky, water and sadness.

7. **Economy:** Packaging costs range from 3% to 80% of the “total product” selling price representative of 80% would be real toothpaste, and that of 3% would be men’s hosiery. Other illustrative packaging costs within the range are lamp shades 6%, cereals 13%, beer 27%, bar soaps 50% and cleaning compounds 53% mutually the consumer would like to prefer economical packages.

Other functions of packaging are:

Packaging makes a positive and significant contribution to the sale of the product. It results in sales appeal because consumer diet at which products are to be stocked by retailers “packages which rates well on appeal are eye-catching and procating, capturing the buyers attention and arousing his interest. Good packaging can be used effectively to help introduce a new product or to help increase or maintain the market for existing products. Sometimes a packaging change can rejuvenate all product by giving it a new image.

Packaging may also lead to increased profit possibilities. A package may also be so attractive that customers will pay more just to get the special package.

On the whole it may be noted that

- Packaging is a powerful merchandising tool
- It identifies the marker as the product and carries the brand name.
- The package label informs the buyers about inner contents and how to use them.
- It is the biggest advertising medium

- It moves to product at the point of purchase
- It encourages impulse buying
- It establishes a product image
- It identifies the product with advertising.

Attributes of a Good Package

A well designed and attractive package is “shelf-salesman” for the retailer, for the package design itself works as a brand. The package must have informative labeling. The headliner, illustrations, guidelines and selling points on the package must be clear at a glance. Visibility of the product in the package helps to sell the product better. Hence glass, cellophane and plastic packages have become very popular.

A good package must be:

1. Protect the contents: It must resist soiling it must prevent spoilage during selling period.
2. Meet retailer requirements: It must attract attention. It must look like a fast seller. It must be convenient to stock and display.
3. Meet consumer requirements: It must look clean and sanitary. It must minimize the buyers time.
4. It must meet trade characters: It must build confidence. It must be convenient to stock and display.
5. Must be easily identifiable: Food packages must be designed in a special manner as “the housewife is interested in the functional performance of the package. The qualities in which a housewife is interested in packaging are:
6. It should be easy to open
7. It should afford convenience and sanitation in storage

8. Container should be reusable
9. Package should make purchasing easier and faster.

Types of Packages:

1. **Consumer package:** It is one which holds the required volume of a product for ultimate consumption and is within the means of a buying household. In other words the consumer has the option to purchase the pack size over a length of time and which does not involve extra investment during that period.
2. **A bulk package:** is its opposite. It is either for the industrial consumer's use example: Steel drums for paint for loose dispensing. The consumer package itself vary, often requires an outside package in which it is transported and which is sometimes referred to as a transit package or an outer container.
3. **An Industrial Package:** Can either describe a bulk package or the package for durable consumer goods. These are the basic package types although many subdivisions can be listed. Example: strip package, multiple package etc which can all be broadly listed under these basic headings.
4. **Dual use package:** Is one which has a secondary usefulness after its contents have been consumed. Drinking glasses, boxes of jewellery or cigarettes, waste baskets, refrigerator, dishes, cloth from flour and feed sucks are the example.

Package Forms

Packages may be in the form of tin plate cans or cardboard container, polythene bags, paper or cloth or gunny bags, wooden boxes, squeeze bottles, collapsible tubes, aerosol cans, aluminum foils, clear film wrappings, plastic container etc flavors and qualities. Packages are often selected on primitive grounds of cost, international practice, type of the product, quality of product, conditions of display, likely consumer appeal. Without

regard to the fact that the true economics of packaging lie in the total packaging operation, filling, sealing, other packaging, storing, handling and distribution.

Package Material:

A wide variety of packaging material is used having regard to the availability. Possible shortages, competition, economy, transport, worthiness and shelf life in every conceivable environmental hazard for stated period. The more common packaging material metal, glass, wood, paper cardboard, plastic, cloth, jute and cellophane. Packaging involves simultaneously selection as well as manufacture, filling and handling of packages, selection is of course guided by the dictates of the 3 processes of package manufacture. Filling and handling which have to be combined with the marketing viz, knowledge of the consumer or the uses, the shelf life described the conditions of retail outlet. Packaging should be regarded as a basic essential requirement for a manufactured product and not arising incidentally in the course of transportation and marketing. All that will become meaningless unless the package is designed to carry on the good work in the long and unpredictable journey from the factory to the ultimate consumer.

Changes in packaging

The manufacturer may make a change in packaging for 2 purposes

1. To arrest decrease in sales
2. To expand a market by attracting new groups of customers.

He may also decide to correct a bad feature in the existing package such as the container may leak after being opened or it may not be sufficiently airtight. Some firms may change their packaging to aid its promotional programmes. The new package may be used as a major appeal in the advertising copy or the old package may be modified because they do not show up well in advertisements.

Deceptive packaging:

In most cases, when the package is not transparent, the consumer is unable to examine the product. He is unable to judge the product in terms of its size, shape, contents etc. the problem of a consumer increases when the weight of the packaging material or the container is also added to the weight of the product or contents. This means that the consumer pays more/or less contents. This practice is invariably seen in the sale of burfies, gulab jamuns, Rasgullas, etc. During festival seasons when the shops are crowded or when the demand is more for these items.

In that items the container used for packaging products are bigger, than their net contents. The volume or the size of the package is made big to make the consumer realize that he is getting more for the money he pays. Only after the packing is removed, the consumer realizes that the size of commodity is half the size of its air-filled package. This is especially true in case of soaps, toothpaste, facial creams etc. Another way by which the consumers are cheated is the supply of reduced quality of net contents without changing the size of the package or the price of the goods. Consumers buy these products out of habit and assume that they are supplied in the same amount of goods when they buy the same size of packed goods.

The manufactures also misguide the consumers when they supply goods in a package with prints like “net weight 100 grams when packed”. They use these to escape prosecution when supplying lesser quantities of commodities because some goods may lose weight during storage, transportation etc. but consumer assumes that he is getting more for the money without realizing that he is being cheated in terms of quantity.

Trends in Packaging:

There are several factors which have resulted in a trend of increase in packaging of products. These factors are increased composition, increase in education, increase in

consumer assurance, changes in living habits, migration from rural to urban areas, more emphasis given to convenience and better service to consumer etc. these factors have affected packaging in almost every type of industry.

1. **Food products:** Most food products were considered to be unsuitable for packaging but how many items are available in packaged form. Even items like rice, cereals, sugar etc are now sold in packaged form. Even fresh meat and chicken are sold in packages of ½ and 1 kg. In all big cities milk is readily available in polythene packages.
2. **Cosmetic products:** Plastic has substituted the traditional glass bottle packaging perfumes are available in very attractive bottles that can be used for decoration purposes.
3. **Drugs and medicines:** The trend is towards more protection packaging. The tablets are now sold in plastic and polythene sheets injections and other medicines are available in more protective packages. Most medicines for the ear, nose and throat contains a spoon/dropper and the bottles are marked with measured quantities. Apparels are now sold in transparent packages. This keeps them clean and makes them more safe.

Consumer Problems with Packaging

Consumers are often at a loss and cheated for misinterpretation and contents of the packages. They often face the following problems.

1. Unless the package is transparent, the buyer cannot judge the contents of the package by its mere appearance. If quality information on it is lacking. Purchase has to be made almost blindly.

2. There is no alternative available to the consumer to check weight and volume of the contents, unless he opens it. Usually prepackage shortages have been found to the extent of 25% and above.
3. Frequently the package sizes and designs inflate the contents. Price reduction may often follow with less of the quantity in the packet.
4. Deceptive packages accompany many unfair trade practices like hidden declaration of contents, five attractive printing glorified illustrations, unexplainable fractions etc as a result of which consumer get less than what the package is supposed to contain.
5. Although packages are identical in size, contents are reduced and apparently same prices are charged.
6. Packages create health hazards for consumers food articles packaged in plastic material are stated to cause cancer and packages stored in godowns are susceptible to infection by rodents and insects.

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