



**Enhancing quality in  
innovative higher education about consumer awareness**

**Consume-aware**

Erasmus+ Action 2



# CHAPTER 7

## CONSUMER POLICY ON EUROPEAN MARKET MODELS AND ORGANIZATIONAL STRUCTURE



# GOALS

1.

understandm ent of the phenom enon of consum er  
interest protection and consumerism

2.

understandm ent of the concept and instrum ents of  
consum er policy on European m arket

3.

ability to evaluate the m odels of consum er protection  
on UE m arket

# THREATS TO CONSUMER ON CONTEMPORARY MARKET

Threats to consumer on contemporary market:

lack of transparency in the market (many diverse products, introduction of new products, etc.)

depersonalization of the market

selling products in large shopping facilities

using sophisticated methods to seduce buyers, e.g., by arousing emotional motives to purchase a product

# THREATS TO CONSUMER ON CONTEMPORARY MARKET

Threats to consumer on contemporary market:

artificially provoked needs, e.g., through promotional activity of enterprises

increasing prices through manipulating the assortment of goods and by means of a well-developed brokering network

over-function of packing, which often causes an increase in prices and has ecological consequences, etc.

# CONSUMER PROTECTION

**Consumer interest** refer to body of law that pertains to things the producers of goods must do to protect consumers from harm

**Consumer interest protection** is a set of activities directed at the protection of consumers when their rights and interests are being threatened

**Consumerism** - all the activities undertaken by state, social, and private institutions for the benefit of consumers. It is a movement designed to increase the rights of consumers in their relation with producers and providers of goods and services

# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## State instruments:

activities of the state that, either directly or indirectly, protect the consumer without his/her active participation, e.g., obligatory standards of quality and safety, labelling food, anti-trust law, etc.

The state acts on behalf of the consumer

# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Individual instruments:

types of consumer behavior that protect him/her

whether a consumer uses them or not depends entirely on him/her

include all kinds of decisions made by the consumers, such as where to buy, for what price, how to use the product, how to treat a trademark, etc.



# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Mixed instruments:

the laws that vest in consumers the right to protect their interests, such as the part of the Civil Code that refers to warranty and others

# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Legal protection instruments:

the laws that objectively concern consumers, the goods they buy, or the entities offering those goods, and such enactments that do not directly refer to the consumer, but that provide the conditions for the proper functioning of the market (packages of laws protecting fair competition and anti-trust laws)

# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Economic protection instruments:

those that are used by the consumers themselves as well as those that are used by the producers and vendors

includes some that are related to quality protection, such as trade-marks, quality standards, certificates, etc.

## Psychological and ethical protection instruments

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# CONSUMER POLICY

**Consumer policy** is generally aware of the actions of the state, aimed at shaping such conditions on market that facilitate the pursuit of consumers' aspirations to the fullest possible satisfaction their needs from their income

## IN PRACTICE

a state actions in the field of legislation, organization and support of projects that protect the life and health of consumers, market control, the judiciary, a means of redress consumer claims, creation of institutional structure as well as **consumer information** and **consumer education**

# CONSUMER EDUCATION

Provides the public with the information it needs on goods and services, so it can make well-informed decisions on what it's purchasing and from whom it purchases

helps consumers understand their rights and become active participants in the buying process

ensures that companies are held accountable by governing agencies and the consumers who use their goods and services

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# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Consumer Benefits:

Consumers are presented with a wide variety of options when they shop for products and services

An informed consumer is able to dissect the information about the product or service to make a wise buying decision after exploring his options and making accurate product comparisons

# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Effects on Companies:

Consumer education forces companies to be honest about what they're offering, price their goods and services fairly and pay close attention to the needs and wants of their customers

Companies keep the consumer in mind from the research and development phase to when they begin to market the product and then solicit consumer feedback



# WHY SERVICES ARE DIFFERENT THAN PHYSICAL PRODUCTS?

## Employee Training:

important aspect of consumer education is employee training and education

informed employee is more equipped to answer customer questions successfully and accurately

employee is able to build trusting relationships with consumers as he assists them in the buying process

# MODELS OF CONSUMER PROTECTION

## Ombudsman model:

the crucial role in consumer protection is that of a single-person institution, a consumer advocate or ombudsman

He/she is administration-independent, appointed for a fixed term, usually by the Parliament

A consumer advocate is usually vested with specified powers

presents e.g. in Scandinavian countries

# MODELS OF CONSUMER PROTECTION

## Administrative model

it is the administration that exercises the consumer policy

consumer protection is usually performed by a single, specialized administrative body (usually situated in economic ministries), which usually has a well-developed structure throughout the country

presents e.g. in France

# MODELS OF CONSUMER PROTECTION

**Court model (presents e.g. in Anglo-Saxon countries)**

based on a highly advanced operation of courts, where common access and short procedures (the so called courts of petty matters, courts of small claims) guarantee quick compensation

assumes the functioning of various public institutions executing and coordinating the consumer protection policy

the most characteristic feature for this model, however, is the presence of fast-operating courts, which only deal with deciding consumer litigation

# MODELS OF CONSUMER PROTECTION

## German model

consumer policy is executed by means of strong consumer organizations

consumer organizations are state-independent citizen associations that deal with the protection of buyer rights

organizations are present on the local and national level, and they have a joint representation in community institutions, which allows them to act on particular issues arising between buyers and vendors

# MODELS OF CONSUMER PROTECTION

## Mix model

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# MODELS OF CONSUMER LAW

## Consumer code model (presents e.g. in France)

there is a consumer code, which is a normative act of a comprehensive nature and containing regulations belonging to two basic branches of law, i.e. civil and administrative law

the advantage of this model is the concentration of the entirety of the law on consumer protection in one main legal act

# MODELS OF CONSUMER LAW

## The framework regulation model

found in countries that have passed consumer protection laws, is based on a formal premise, which is the adoption of the law on consumer protection

## The framework regulation model

absence of one act of consumer law, either in the form of a code or specific acts, and instead there are numerous special acts regulating consumer protection issues



# READINGS

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**THANK YOU**

