

6. CONSUMER AWARENESS

6.1 Meaning and Definition of Consumer

6.2 Responsibilities of Consumer

6.3 Problems faced by Consumer

6.4 Rights of Consumer

6.5 Guidelines for Wise Purchase

6.6 Consumer Protection

6.1 Meaning and Definition of Consumer :

It is an old saying that consumer is the king because he is the person on whose decision; demand of any product or service depends. Thus, consumer plays a vital role in shaping the decision of the market/industry regarding the conduct they offer. People get into different profession and or side business either by choice or by circumstances, but everyone, in any case is a consumer. Consumer is the one who consumes goods and services available in the market.

“A consumer is a person who buys any goods or hires any service for valuable consideration. Person, who avails goods or services exclusively for the purpose of sustaining his livelihood is called a consumer”

The term does not include a person who obtains goods or services for resale or for any commercial purpose.

6.2 Responsibilities of Consumer :

Consumer should act rationally. A consumer should keep in mind the following responsibilities while purchasing, using and consuming goods and services :

➤ Before Buying :

- It is a responsibility of a consumer to plan in advance before buying.
- Consumer must enquire about past performance of product/services.

- Consumer must enquire about reputation and past performance of producer/seller/service provider.
- Consumer should avoid hasty and impulsive decisions, regarding purchase in sales and schemes.

➤ While Buying :

- It is the responsibility of a consumer to be more alert and to question more about prices, quantity and quality of goods bought and services used.
- Consumer should ask about demonstration regarding the operation of the product/service.
- Consumer should buy standardized goods as they provide quality assurance. For example, buy goods with certification mark such as, ISI mark on electrical goods, FPO mark on food products and Hallmark on jewellery.
- Consumer should read labels carefully so as to get information about prices, net weight, and manufacturing and expiry date of product.
- Consumer should assert himself/herself to get a fair deal.
- Consumer should read and know about the contents of guarantee / warranty

card and obtain it and getting it signed by a dealer

- Consumer should ask about a receipt/bill while buying the product and also check those bills during transaction.

➤ **After Buying :**

- Consumer should use products as per instruction given in user manual.
- Consumer should keep bills and guarantee card safe.
- Consumer should learn about the risks associated with products and services, follow manual instructions and use products safely.
- Consumer should together join hands and raise voice to promote and protect consumer interest.
- Consumer should file a complaint in an appropriate consumer forum in case of defect in product/service.
- Consumer societies should be formed as it plays an active part in educating consumers and safeguarding their interests.

➤ **Sustainable Consumption :**

- Every consumer should practice appropriate method of consumption in order to sustain the resources for future.
- Consumer should consume only what one needs.
- Consumer should not waste products and resources.
- Consumer should avoid using the products that create pollution such as plastics, chemicals. Instead of that everyone should use natural bio-degradable products such as cloth bags, jute bags, paper bags etc.

Remember the 3R's of a dutiful consumer :

- **Reduce** : Consume only what you need, if possible reduce consumption of water, electricity, fuel and other non-renewable resources.
- **Reuse** : If a product can serve you for a longer period, use it instead of buying a new one.
- **Recycle** : Don't litter the environment, recycle degradable or recyclable materials through proper channel.

Source : www.consumer.tn.gov.in

6.3 Problems Faced by consumer :

Consumers face number of problems in dealing with traders and manufactures. Some of the main problems are listed as follow :

- **Adulteration of goods** : Adulteration of goods is one of the major problems faced by consumers in day to day purchases. Adulteration of food substances by traders through addition of substances which are injurious to health, for example- small pebbles in rice, starch in milk and cheese, plastic pieces in sugar and used tea leaves are generally sold in markets. Consumers also face adulteration problems for goods like clothes, medicines, drugs, cosmetics, household equipments etc.
- **Supply of duplicate and defective goods** : Consumers often get cheated by traders due to supply of duplicate and defective goods. Many unethical traders illegally use popular brand names and sell their products, also many traders sell defective pieces of goods during sales in order to fool the customer.
- **Variation in prices** : The consumer has to pay different prices for same item at different places. Traders use deceptive or incorrect rates on products and sell goods and items above MRP (Minimum retail price). Many showrooms of big companies add prices of maintenance

of showroom, additional taxes and free home delivery charges at product cost which is hidden at expense of customer.

- **Wrong weights and measures :** Consumers are cheated by traders by not using standard weights and measurements according to Standard Weights and Measurements Act 1976. Under weight stones are used in place of standard weights, boxes, bottles or measuring glass of containers having shape that would give less quantity. Even in shopping malls, customers are cheated with wrong weights pasted on packets.
- **Misleading Advertisements :** Everyday new products are launched. Normally manufacturers give information about their products via advertisement. After purchase, consumer realizes that it doesn't match with what he/she has seen in the advertisement. Businessmen make false claim of products via advertisements. For instance advertisement of Beauty products, health drinks etc.
- **Sale of Substandard goods :** In place of standard goods, sub standard goods are sold at higher price. For example, selling of furniture made of inferior quality wood, substandard ingredients in food items, use of sub-standard bulbs and electrical appliances.
- **Artificial Scarcity :** Artificial scarcity is faced by lot of consumers especially in festive season. Essential commodities such as edible oil, potatoes, rice, wheat, sugar, pulses etc are not available in market. Customers have to pay a higher price though the rates of these substances are low or has to do without these items. When there is a possibility of rise of price in these substances, these substances get vanished from markets. When there is a rise in the price of these substances these commodities suddenly

appear in the market.

- **Poor Quality of Sales Personnel :** Many times sales personnel have not been given appropriate training by their employers as they fail to give proper information about the products. Sometimes salesmen exaggerate about the product so much that it lures the customer to buy the product.
- **Online Shopping Problems :** Online shopping is one of the fastest growing markets in India but we, as Indian consumer face many issues. Consumer face issue related to product quality most of the time. It is the most common problem faced by customers as there is no guarantee of product quality. Most of the time online products do not get delivered within the stipulated time. Consumers have to wait for days before they finally receive their product. Consumers become victim to online payment issues. Payment failures are due to errors in banking websites, hacking of online banking accounts, issues with one time password (OTP), payment gateway error have now become common issues during online payment. Online websites offer vague stipulations which leave consumers confused about refund and return of products.

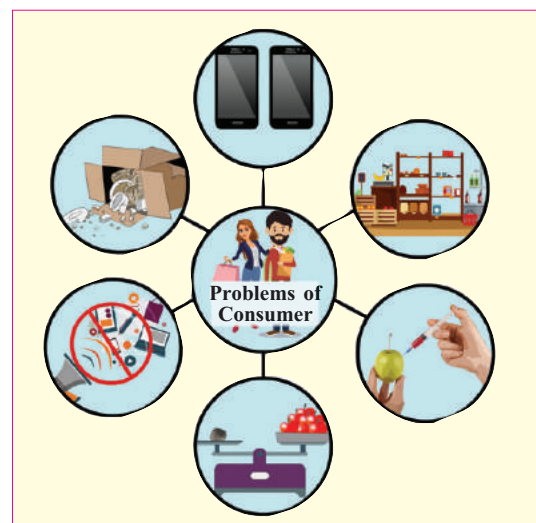


Fig. 6.1 Problems faced by consumer

6.4 Rights of Consumer :

It is very essential for the consumer to know one's basic rights as well as about the legal framework and procedures that follow with the infringement of one's right.



Fig. 6.2 Rights of consumer

- **Right to Safety :** This right talks about the right to be protected against the marketing of goods, products or services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfil long term interest. Before purchasing, consumer should insist on the quality of the products as well as on the guarantee of the product and services. They should preferably purchase certified products such as ISI, AGMARK, etc. For example substandard electric appliances might cause serious injuries.
- **Right to be Informed :** The right to be informed about the quality, quantity, potency, purity, standard and price of goods, products or services, as the case may be, so as to protect the consumer against unfair trade practices. Consumer should insist on getting all the information about the product or service before making a choice or a decision. This will

enable him to act wisely and responsibly and also enable him to resist from falling prey to high pressure selling techniques. For example, the manufacturers provide detail information about the contents of the product, quantity, date of manufacturing, date of expiry, maximum retail price on the label and package of the product. Such information helps the consumers in their buying decisions.

- **Right to Choose :** This is the right to be assured, wherever possible of access to variety of goods, products or services at Competitive price. In case of monopolies, like railways, electric supply etc. it means right to be assured of satisfactory quality and service at a fair price. It also includes right to basic goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better exercised in a competitive market where a variety of goods are available at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc.
- **Right to be Heard :** The right to be heard and to be assured that consumer's interests will receive due consideration at appropriate forum. It also includes right to be represented in various forums formed to consider the consumer welfare. The Consumers should form non-political and non-commercial consumer organizations which can be given representation in various committees formed by the Government and other bodies. Many manufacturers have set up their own consumer service and grievance cells. Many consumer organizations are also working towards this direction and helping consumer in redressal of their grievances

- **Right to Seek Redressal :** This is a right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers. Consumers must make complaint for their genuine grievances. Many a times their complaint may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organisations in seeking redressal of their grievances. The Consumer Protection\ Act provides a number of reliefs to the consumers including replacement of product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer, etc.
- **Right to Consumer Awareness :** Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success. Consumer education may be imparted through school and college curriculum and also consumer awareness campaigns run by both Government and NGO (Non government organization).
- **Right to Healthy Environment :** The right to physical environment will enhance the quality of life. It includes protection against environmental dangers like air, water and noise pollution over which the individual has no control. It acknowledges the need to protect and improve the environment for present and future generations.
- **Right to Basic Needs :** Right to basic needs ensures basic goods and services which guarantee survival. It includes adequate food, clothing, shelter, health, care, education and sanitation to lead a decent life.

6.5 Guidelines for Wise Purchase :

While sellers have all the information, high pressure advertising techniques and various gimmicks are used to lure consumers into their well spread out net. Many consumers are poor and pay heavily due to lack of knowledge, buying habits and general laziness. At present, market is flooded with new and better products and there is a rise in competition, the consumer needs to be wise and aware about various market trends. That is why a consumer needs to have knowledge about different products, their brands and models available. Buying wisely requires intelligence, cautions, effort and energy.

➤ How to buy :

- Plan before buying and buy only useful and affordable things.
- Consumer should read the labels carefully before purchasing a product.
- Think about durability after maintenance and repair services of the product.
- Compare the high priced with low priced articles and feature to feature and if both are even go for the cheaper one.
- While buying, consider safety and comfort of the product.
- Before buying expensive articles, consult as many people as possible who have bought the article.
- Be careful and look out for expiry date, manufacturing date, guarantee and warranty of the product.
- Payment should be made carefully by cash, e-wallet, cheque, credit card or debit card.

➤ When to buy :

- When to buy is an important point of consideration. We get discount during festive season. We also get schemes such as 'Buy one get one free', 'Buy a car with free insurance'. We can buy

products promoting such schemes but as aware consumers we should also look out for hidden costs of item while buying one and getting one free.

- Some manufacturers also give ‘off-season’ discounts such as buying air-cooler in winters, woolen clothes during summers. As aware consumers, one should not blindly avail these discounts.

➤ **From where to buy :**

- It is generally advisable to buy the products from established shops. Consumers should avoid buying products from street hawkers.
- While buying from established shop, consider the reputation of the dealer or the wholesaler or the retailer to ensure quality of the product.
- Purchase from the dealer who provides sales service after buying.
- For perishable items, ensure that it remains fresh until you reach your home.
- Sometimes away from hometown, you may find some products which are attractive and beneficial. Try to find out whether maintenance of such products is available at your home town.

➤ **How much to buy :**

- Always buy the things which are necessary.
- Never buy in bulk, especially food items as they get wasted.
- Avoid impulse buying.
- Money resource is a limited commodity, use it properly.
- Consider resources at your disposal, For example : consider the amount of money and then spend.

➤ **What to buy :**

- It is necessary to understand the standard marks issued by BIS.

- Look out for ISI marks on electrical goods, cement, biscuits, mineral water etc.
- Look out for hallmark on gold and silver jewellery.
- Look for Agmark on agricultural products.
- Look out for ISO and FPO mark on fruits and vegetables.
- Look out for Vegetarian and Non-vegetarian marks on packed food items.
- Look out handloom mark on handloom items and red label star mark on electrical appliances.

❖ **Labels :** Label is a small piece of paper, fabric, plastic, or similar material attached to a product providing detail information about it. It is a significant means of product identification like branding and packaging. It is an informative tag, wrapper or seal attached to a product.

Labelling is an important element as it affects sale and distribution process of a product, which provides clear information about the grade, quantity, price, brand name, features, etc. to the customer. Labelling gives necessary information to the customer to buy product without hesitation.

Functions of label :

- **Identification of product :** Labelling identifies the product or brand easily. It prevents substitution of competitive product.
- **Grading :** Labelling is helpful in grading the product according to measure quality and features.
- **Description :** Labelling helps to describe the product according to quality and features.
- **Product promotion :** Labelling plays a significant role in promotion of the product. Offers such as free brush, free coin attracts the consumers to buy that product.

- **Protect the consumer** : Labelling also protects the consumer from buying adulterated and defective goods from the market and also gives a choice to the consumer to choose his own brand of product.
- **Makes the product attractive** : It helps in promotion of the product via its attractive design. The graphic design of various products gives an aesthetic finish to product and it attracts the consumer to buy the product. It is a source of attraction for consumers too.

➤ **Types of Labels :**

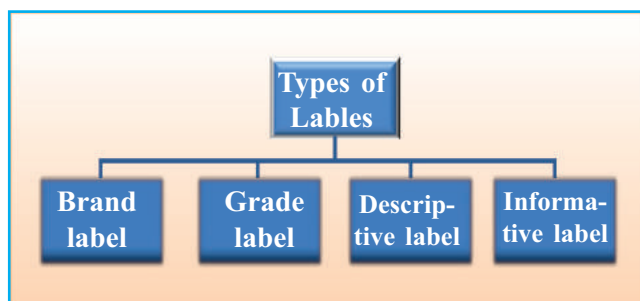



Fig. 6.3 Types of Labels





- **Brand label** : Brand label is a distinctive design or symbol. Trademarks and Brand names fall under this category. Most of the time consumer compares products of various brands while buying. Manufacturers also try to maintain the quality standards of their products to establish their image in the market which leads to a healthy competition. Consumers can identify the manufacturer from the brand and can register complaint if any.
- **Grade label** : A grade label identifies the quality of a product by a letter, number or word which implies a qualitative judgement of relative inferiority or superiority of the product.
- **Descriptive label** : Descriptive label means giving details of the product such as component parts of the products,


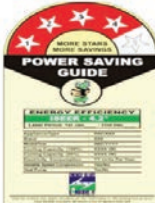

chemical analysis, weight size, use of artificial colour, directions for its use etc.

- **Informative Label** : An informative label attempts to help the consumer to make wise selection and care of the product. It gives special instructions or precautions on care and use of products than descriptive label. It may give factual information about the product based on laboratory tests and may include weight of the product, manufacturer's name, date of manufacture and expiry, contents of product etc.
- **Certification of label** : Consumers expect certain qualities from the products they purchase. Certification labels ensure that the product fulfils the qualities expected by the consumers. A quality mark gives the consumer a visual and easily identifiable quality assessment tool, originating from a reliable source. Indian Government established the Indian Standards Institute for certification of products. Certification labels such as ISI, Agmark, Woolmark, Handloom mark, Silk mark, Eco mark etc. are used for standardization of various products.

Know Your Standard Quality Marks

| Standard Quality Marks | Information |
|---|---|
|  | ISI Mark : ISI is a certification mark scheme operated by Bureau of Indian Standards (BIS), under the provisions of BIS Act, 1986. ISI marks are both mandatory and voluntary. Some of the ISI certification products include cement, electrical appliances, LPG cylinders, batteries, Automobile Accessories, Medical equipments, Chemical Fertilizers, infant foods etc. |

| Standard Quality Marks | Information |
|---|---|
|  | Agmark : The Agmark certification is used on agricultural commodities for the benefit of consumers and producers by Director of Marketing and Inspection; an agency of Government of India. The scheme is legally enforced by Agricultural Produce (Grading and marking) Act 1937. |
|   | Vegetarian and Non-vegetarian marks : As per food safety and Standards (packaging and Labelling) regulations 2011, every package of non- vegetarian food shall bear a symbol which constitutes of brown colour filled circle inside a square with brown outline having sides the double diameter of the circle. Every package of vegetarian food shall bear a symbol of green colour filled circle, having a diameter not less than the minimum size specified, inside the square with green outline having size double the diameter of the circle. |
|  | Hallmark : The hallmark scheme was launched by Bureau of Indian Standards (BIS) on behalf of Government of India for gold jewellery in year 2000 and for silver jewellery in 2005. This scheme is voluntary in nature and consumers should buy gold and silver jewellery with a hallmark on it. |

| Standard Quality Marks | Information |
|---|---|
|  | FSSAI (Food Safety and Standards Authority of India): FSSAI is certification mark which signifies that food is hygienic and meets the approved safety and standards set for food items under the Food safety and standards (FSS) Act 2006. Food packets generally contain a 14-digit license number issued by FSSAI along with FSSAI logo in the colour that contrasts with the background. |
|  | BEE (Bureau of Energy Efficiency) star label mark: BEE star label mark gives a reference regarding energy saving of household electrical appliances and other equipments. In 2006 the Bureau of electrical efficiency (BEE) of ministry of power, Government of India, issued Red star label Mark. It is generally used for Refrigerator, Air conditioner, distribution transformers, induction motors, pump sets etc. |
|  | Handloom mark : Handloom mark was introduced by Government of India in order to promote handloom products in domestic and international markets. This scheme covers all handloom fabrics and products made thereof. The mark is generally found in two forms; one for domestic market in which 'handloom' word is written below the logo and the other one for international markets in which 'hand woven in India' is written beneath the logo. |

| Standard Quality Marks | Information |
|---|---|
|    | <p>Wool mark : The wool mark logo is owned by Woolmark Company of Australia. Woolmark is used to identify products that contain wool. Products with Woolmark logo are 100 percent pure new wool and have been approved and certified to meet quality specifications and offer natural comfort. It also contains Woolmark blend and wool blend which contains wool and other yarns such as polyester and nylon.</p> |
|   | <p>Silk mark : Silk mark is a quality assurance label for pure silk and in addition serves as a brand for generic promotion of pure silk. It is not a mandatory mark, but it is an advisory mark promoted under the Silk Mark Scheme, backed by Silk Mark organization of India.</p> |
|  | <p>Eco mark : Eco mark is a certification mark issued by Bureau of Indian Standards in 1991, to products conforming to a set of standards aimed at the least impact on ecosystem. The products with eco mark are soaps and detergents, paints, papers, plastics, cosmetics, textiles, batteries, wood substitutes, drugs, food items, pesticides etc.</p> |

Use your brain :

Find out the International Certification Marks.

6.6 Consumer Protection :

In the modern marketing scene, an average buyer can be easily misled or cheated. Common consumer is neither knowledgeable nor well informed. He/she needs protection from unscrupulous sellers. Once cheated, a common consumer is not in a position to approach the civil court. The quick, inexpensive and speedy justice to the genuine complaints of the consumers is essential.

Realizing the importance of consumer protection world over, the United Nations adopted guidelines for protection of consumers on April 9, 1985. All countries are expected to take suitable legislative measures. Accordingly, ‘Consumer protection act, 1986’ was enacted in India with this in mind. This act was specifically designed to protect consumer interests. It is intended to provide justice which is, “less formal, less paperwork, less delay and less expense”. The act came into force with effect from 01-07-1987.

Main objectives of consumer protection Act 1986

- To provide better protection of interests to consumers.
- Consumer councils and other authorities are provided for setting the consumer’s disputes and other matters.

The Act is intended to protect the following rights of the consumer :

- 1) Right of Protection from marketing of goods and services which are hazardous to life and property.
- 2) Right to be informed about the quality, quantity, purity, standards and price of the goods/services so that consumers are protected from unfair trade practices.
- 3) Right to have access to variety of goods and services at competitive prices.
- 4) Right to be heard and to be assured that consumer interests receive its due consideration.

- 5) Right to stop unfair trade practices, restrictive trade practices and exploitation of consumers.
- 6) Right to consumer education.
- 7) Right to speedy and simple redressal to consumer disputes.

Features of Consumer Protection Act 1986, and filing of complaints-

- Simple formalities
- Advocates not compulsory
- Consumers themselves can conduct cases
- Complaint can be written in English, Hindi or Local language.
- Complaints may be sent even through Registered post.
- Registered Consumer Organization or Government can also file complaint on behalf of consumer.
- Less expensive
- Compensation can be claimed for the loss suffered including mental agony.

The Act envisages setting up of 'consumer Disputes Redressal Agency' at District, State and National level.

| Redressal Agency Under CPA | Jurisdiction to decide consumer dispute | |
|-----------------------------------|---|--------------------------|
| | Value of goods/ services and compensation claimed | Appeals against order of |
| District Forums | less than Rs. 20 lakh | |
| State Commission | more than Rs. 20 lakh and less than Rs. 1 crore | District Forum |
| National Commission | more than Rs. 1 crore | State Commission |

If the redressal agency is satisfied about the genuineness of the complaint, it can issue one or more of the following directions to the other party.

- 1) To remove the defects pointed by laboratory
- 2) To replace goods with new goods free of defect.
- 3) To return the price of goods or charge of services paid by the complainant
- 4) Compensation for loss or injury suffered by consumer due to negligence of opposite party in addition, punitive damages can also be granted.
- 5) To discontinue the trade practice or the restrictive trade practice or not to repeat them.
- 6) Not to offer the hazardous goods for sale.
- 7) To withdraw the hazardous goods from sale.
- 8) To cease manufacture of hazardous goods and to stop from offering hazardous services.
- 9) To pay any amount (not less than 5% of the value of the defective goods or deficient services provided), to be credited to the consumer Welfare fund or any other organization/person, to be utilized in the prescribed manner.
- 10) To issue corrective advertisement to neutralize the effect of a misleading advertisement.
- 11) To provide for adequate costs to parties.

Can You Recall ?

- A consumer is a person who buys any goods or hires any services for fulfilling own needs.
- Consumer should keep in mind the reasonable level of responsibilities while purchasing, using and consuming goods and services.
- Consumer faces number of problems like adulteration of goods, supply of duplicate and defective goods, variation in prices, faulty weights and measures, misleading advertisements, sale of substandard goods, artificial scarcity, poor quality of sales personnel and online shopping problems in dealing with traders and manufactures.
- Consumer Protection Act 1986 has provided rights like right to safety, right to be informed, right to choose, right to be heard, right to seek redressal, right to consumer awareness, right to healthy environment and right to basic needs.
- Consumer should follow certain guidelines for wise purchasing. Buying wisely requires intelligence, cautious efforts and energy.
- Label is a small piece of paper, fabric, plastic, or similar material attached to a product that provides detailed information about it. Standard quality marks give assurance of quality of products to the consumers.
- Consumer Protection Act 1986 provides protection and justice from unfair means and practices of the business community to the consumers.

Exercises

• Objective questions :

1) Multiple choice questions :

1. Consumer is a person who _____ any goods or hires any services for valuable consideration.
a) resales b) buys
c) earns profit d) sales
2. Logo of _____ is used on Agricultural products.
a) ISI b) Hallmark
c) Ag-mark d) BIS
3. Consumer Protection Act, 1986 was enacted in the year _____.
a) 1987 b) 1986
c) 1985 d) 1988
4. Hallmark is a standardization mark used for _____.
a) fruits b) gold
c) textiles d) goods

2) Match the following pairs :

| | A | B |
|----|---------------------|----------------------------|
| 1. | Starch in Milk | Festive season |
| 2. | Consumer protection | Electrical goods |
| 3. | Vegetarian food | Green circle inside square |
| 4. | Artificial scarcity | Adulteration |
| 5. | ISI mark | Judicial machinery |

3) Identify whether the following statements are True or False :

- a) Consumer should keep bills and guarantee cards safe.
- b) As a consumer, one should not be aware about the rights of consumer.
- c) Adulteration is one of the problems faced by the consumers.
- d) ISI is a quality certification mark used in case of food products.
- e) Consumer Protection Act deals with the problems of manufactures.

- **Short answer questions :**

- 1) Define the following terms :**

- a) Consumer
 - b) Label

- 2) Write short notes on the following :**

- a) Need of consumer protection
 - b) Adulteration and supply of defective and duplicate goods
 - c) Right to be informed
 - d) How and what to buy
 - e) Types of labels

- 3) Give reasons for the following :**

- a) Consumer must plan in advance before buying.
 - b) Buy only standard quality mark electrical appliances.
 - c) There is need of consumer awareness.
 - d) Consumer should read the label before buying any product.
 - e) Legal protection is a necessity of consumers.

- **Long answer questions :**

- a) Explain the responsibilities and rights of consumers.
 - b) Write about the problems faced by consumers.
 - c) Describe the useful guidelines for wise purchase for consumers.
 - d) Write about functions of labels.
 - e) Explain consumer protection act 1986.

Project/Assignment :

- 1) Survey and report writing on awareness about consumer rights/ consumer problems.
 - 2) Visit the consumer organization and write report on functions performed by it.
 - 3) Collect the published information regarding consumer disputes.

Related Activity :

- 1) Collect and analyze labels.

