



**STUDY MATERIAL FOR BBA
CONSUMER AWARENESS (NME)
SEMESTER – III, ACADEMIC YEAR 2020-21**



| UNIT | CONTENT | PAGE Nr |
|-------------|---------------------------------|----------------|
| I | CONSUMER - CONSUMERISM | 02 |
| II | EXPLOITATION OF CONSUMER | 08 |
| III | CONSUMER RIGHTS | 15 |
| IV | CONSUMER PROTECTION | 17 |
| V | MODEL FORM OF COMPLAINTS | 22 |

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UNIT- I CONSUMER AWARENESS

Meaning

Consumer Awareness is an act of making sure the buyer or consumer is aware of the information about products, goods, services, and consumers rights. Consumer awareness is important so that buyer can take the right decision and make the right choice.

Consumer

A person who purchases goods and services for personal use

Customer

A person who buys goods or services from a shop or business

CONSUMERISM

Consumerism is a cultural model that promotes the acquisition (ifafg;gLj;jy;) of goods, and especially the purchase of goods, as a vehicle for personal satisfaction and economic stimulation.

TYPES OF CONSUMERS

Seasonal Consumers

Many consumers purchase and consume products on a seasonal basis. Cash flow for a business selling seasonal products can be very difficult. It is vital to quickly and effectively target seasonal consumers.

Examples of products that rely on seasonal consumers:

- Umbrellas during the rainy season
- Cold or icy drinks during the hot seasons
- Christmas trees and decorations in December
- Beach wears in summer

Personal Consumers

These types of consumers are individual consumers who purchase goods for the sole purpose of personal, family or household use.

Examples

Going to the supermarket and shopping for goods which are to be used in the house

- Purchasing a car that you intend to use personally
- Purchasing clothes for personal use from a clothing mall
- Purchasing a mobile phone for personal communication.

Manufacturers selling products to personal consumers are constantly. (vg;NghJk;)

Organizational Consumer

- Organizational consumers purchase products for organizations, governments or businesses, they often buy in bulk and may place long-term recurring orders.
- An organizational consumer is generally highly prized and sought after.
- Products and services sold to organizational consumers are often required to meet very strict standards.
- Manufacturers and service providers who target organizational consumers are expected to be flexible.(nefpo;thd)



- Goods may be offered for resale at a profit to the organizational purchaser.

Impulse (ce;Jtpir) Buyers

- Impulse buyers are consumers who make unplanned buying decisions.
- Impulse buyers make swift buying decisions and immediately purchase when they 'connect' with the product and its features.
- Products impulse consumers purchase is not initially in their plans, so product placement is very important. Manufacturers who target impulse buyers need their goods to be featured prominently (**Kf;fpakhf**) in a store.

For example:

- a. Chocolates near the check-out counter
- b. Cookies at eye level on the shelf
- c. Bright, eye-catching novelty items where children can spot them.
- d. Service providers can also target impulse buyers, often by offering significant discounts or immediate service.

Need Based Consumers

- In this type of consumer who buy goods and services when they need them and not any other time. Many of the products in a hardware store, for instance, are sold to need based consumers.
- The challenge for marketers is to create a sense of 'need' to promote the sale of products and services.

Examples:

- Paint when a wooden house needs to be protected from the weather
- Light bulbs when we need to see at night
- Heaters or air-conditioning if we need to be comfortable in our homes.

Discount Driven Consumers

- Discount driven consumers are the type of consumers who purchase goods and services primarily for the discounts on offer.
- Discount driven buyers are price sensitive and would rather wait to purchase products when they come with discounts as opposed to when they are sold for full price.
- Coupons and stock-take sales are popular with this type of consumer. An increasing number of manufacturers, retailers and service providers offer discounts during recession (**ke;jepiy**) or harsh economic climates.

Habitual(gof;fk;) Consumer

- Habitual consumers are those who feel compelled to use certain brands or types of goods. Marketers work hard to create brand loyalty among this type of consumer.
- Cigarettes and alcohol are classic examples of products that target habitual consumers. A beer drinker can be expected to always buy the same type of beer, and smokers have been known to leave a store and go to a different sales outlet if their brand of cigarette is not available.
- Advertising often encourages a personal associated with a specific product to appeal to habitual consumers.

CONSUMER NEEDS

Physiological Needs (clypay; Njitfs;)

Physiological needs also include such things as shelter and clothing. Some examples of physiological needs include:



- Food
- Water
- Breathing
- Homeostasis

In addition to the basic requirements of nutrition, air and temperature regulation etc.,

Security and Safety Needs

Needs for security and safety become primary. People want control and order in their lives, so this need for safety and security contributes largely to behaviour at this level.

Some of the basic security and safety needs include:

- Financial security
- Health and wellness
- Safety against accidents and injury

Social Needs

The social needs in Maslow's hierarchy include such things as love, acceptance, and belonging. At this level, the need for emotional relationships drives human behaviour.

- Friendships
- Romantic attachments
- Family
- Social groups
- Community groups
- Churches and religious organizations

In order to avoid problems such as loneliness, depression, and anxiety, it is important for people to feel loved and accepted by other people.

Esteem Needs (khpahij Njitfs;)

At this point, it becomes increasingly important to gain the respect and appreciation of others. In addition to the need for feelings of accomplishment and prestige, esteem needs include such things as self-esteem and personal worth.

Participation in professional activities, academic accomplishments, athletic or team participation, and personal hobbies can all play a role in fulfilling the esteem needs.

People who are able to satisfy the esteem needs by achieving good self-esteem and the recognition of others tend to feel confident in their abilities. Those who lack self-esteem and the respect of others can develop feelings of inferiority.

Self-Actualization Needs (Ra – nray;ghl;L Njitfs;)

At the very peak of Maslow's hierarchy are the self-actualization needs. Maslow explained, referring to the need people have to achieve their full potential as human beings. Self-actualizing people are self-aware, concerned with personal growth, less concerned with the opinions of others, and interested in fulfilling their potential.



IMPORTANCE OF CONSUMER

To achieve maximum satisfaction:

The income of every individual is limited. He wants to buy maximum goods and services with his income. He gets full satisfaction only by this limited adjustment.

Protection against exploitation:

Producers and sellers exploit the consumers in many ways as underweighting, taking more price than the market price, selling duplicate goods etc. Consumer awareness shields them from the exploitation by the products and sellers.

Control over consumption of harmful goods:

There are several such goods available in market which cause harm to some consumers. For example, we can take goods like cigarette, tobacco, liquor etc. The consumer education and awareness motivate people not to purchase such goods which are very harmful.

Motivation for saving:

The awareness controls people from wastage of money and extravagancy and inspire them to take right decision. Such consumers are not attracted by sale, concession, free gifts, attractive packing etc due to which people can use to save their money.

Knowledge regarding solution of problems:

The consumers are cheated due to illiteracy, innocence and lack of information. Therefore, it becomes necessary that the information about their rights should be provided to them so that they cannot be cheated by producers and sellers.

Construction of healthy society:

Every member of the society is a consumer. So, if the consumer is aware and rationale, then complete society becomes healthy and alert towards their rights.

Goods and services

Goods are items that are usually (but not always) tangible, such as pens, salt, apples, and hats.

Services are activities provided by other people, who include doctors, lawn care workers, dentists, barbers, waiters, or online servers, a book, a digital videogame or a digital movie.

Types Goods and services

A **GOOD** is an object people want that they can touch or hold. A **SERVICE** is an action that a person does for someone else. Examples: Goods are items you buy, such as food, clothing, toys, furniture, and toothpaste. Services are actions such as haircuts, medical check-ups, mail delivery, car repair, and teaching.

A good is a tangible or physical product that someone will buy, tangible meaning something you can touch, and a **service** is when you pay for a skill. A **service** is something intangible, which can't be physically touched or stored.



Economic & Free Goods

Economic Goods are those goods which are scarce (**gak**;) and can be had only on payment. Most of the things that a man needs to satisfy his wants fall in this group. They are limited in the Quantity and are man-made things. Example., Mobile, Chair, TV Etc... Free Goods are those goods that exist in such plenty that you can have as much as them as you like without Any Payment. Example., Air, Sunshine Etc...

Consumption & Capital Goods

- Consumption Goods are those goods which yield Satisfaction Directly. They are used by the customers to satisfy their wants directly. Example., Food, Clothing Etc...
- Capital Goods are those goods which help us to produce other goods. They are also called “Producer’s Goods”. They Satisfy our wants indirectly. Example., Tools, Machinery Etc...

Material & Non-Material Goods

- Material goods are tangible and visible things. Example., Furniture, Pen Etc
- Non-Material goods are various kinds of services. They are not tangible (□□□□□□□□) and visible. Example., Services Of Doctors, Engineers Etc...

Transferable & Non-Transferable Goods

- Most material goods can change their ownership. In such cases, a bodily transfer takes place and the goods may be moved from one place to another. Example., Table, Chair Etc...
- Non-transferable goods like skill, ability, intelligence, etc. which is personal qualities cannot be transferred—only their service can be used by others.

Personal & Impersonal Goods

- Personal goods refer to the personal qualities of a person, e.g., his ability and skill.
- Impersonal goods are those that are not personal. They are external. They are, therefore, also called External goods. Example., Land, Houses Etc...

Private & Public Goods

- Private goods are the property of private individuals, e.g. land or buildings owned by them exclusively and not shared with others.
- Public goods are those which are common to all and are owned by society collectively, Example., a town hall, a college, or a hospital Etc...

EVOLUTION AND GROWTH OF CONSUMER MOVEMENT IN INDIA AND TAMIL NADU

Consumer Movement in India Decontrol and de-rationing in 1951-52 meant a setback to the co-operative movement. Their revival came in 1962. In 1960 an all India seminar on consumer co-operatives was held in Mumbai for a critical appraisal (**tpkh;rd kjpg;gPL**) of the entire consumer scenario. From the Third Five Year plan onwards, there has been much emphasis on the development of consumer co-operatives by the governments to make them viable. In 1975-76, ` 5.5 crores were invested for consumer co-operatives in accordance with the 20-point programme.

Consumer co-operatives are very important for improving the distribution of essential goods through Public Distribution System (PDS) and combating inflation (**tPf;fk**;) . It has been announced that 10 to 20% of the supplies of baby foods, bicycles, blades, cloth and students



needs etc. would be through co-operatives. At present, in the distribution of consumer goods the co-operatives under P.D.S. account for about 28% of retail outlets (fair price shops) in rural areas.

Nearly 51,000 village societies and their various branches distributed ` 2500 crores worth of consumer articles in rural areas in 1989-90. However, the co-operative movement treaded its path among the consumers and as was the case in the West, in India to the co-operative movement was not organised as a measure for consumer protection of the modern type. Consumer movement did not make its presence felt in India till the 1960's when organised consumer groups came up.

Consumer Movement in the Modern Period

Consumer movement in the present form came into being only in the 1930's in the West and only in the 60's in India. The basic objectives of consumer movement worldwide are as follows:

1. To provide opportunity to the consumers to buy intelligently;
2. Recognition of reasonable consumer requests;
3. Protection against fraud, misrepresentation, insanitary (MNUhf;fpakpy;yhj)
4. and unjust products;
5. Participation of consumer representatives in management of aspects affecting consumer;
6. Promoting consumers interests.

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UNIT - II CONSUMER EXPLOITATION

MEANING

Consumer exploitation (**Ruz;ly**;) is a situation in which the consumers are cheated by producers and traders. When a consumer buys a product he or she should check or lookout the all the details regarding to the product, cash memos, quantity, quality etc.,

VARIOUS FORMS OF CONSUMER EXPLOITATION

1. Underweight or under-measurement
2. Goods or services of substandard quality
3. Overpricing
4. Articles harmful for health
5. Unsatisfactory after-sales services
6. Sale not in accordance with predetermined conditions
7. Scarcity in service sector
8. Rough behaviour with the consumer and undue conditions
9. Cheating in choice
10. Faulty equipment
11. Artificial scarcity
12. Incomplete or insufficient information

MAJOR PROBLEMS OF CONSUMER EXPLOITATION:

Lack of Information

Very often consumers do not get proper and timely information. The information may be about the arrival of new product or service, availability of a product; Changes in the existing product, etc. In the absence of information consumers may not be able to make proper decisions of purchasing product or services.

Malpractices (**KiwNfLfs**;) by Suppliers

Malpractices by suppliers create serious problems for consumers. Suppliers engaged in antisocial activities like black marketing, hoarding (**gJf;fy**;) , profiteering, etc. Spoil the relations between the buyer and sellers.

Irregular Supply

Consumer faces the problem of irregular supply. Especially in case of necessities unsystematic supplies create serious shortages. Many times, the irregularities are deliberate and exploitative, caused by hoarding and black marketing.

Not Heard Properly:

Consumers often feel that they are not heard properly. Their complaints, grievances (**Fiwfis**) and doubts are not carefully attended to and not promptly redressed or clarified by suppliers of goods and providers of services.

Wrong Weight & Measures

Consumers in this world are cheated by traders and others with false weight and Measures. The customers are cheated with false weights and measures in an unorganized market. Even in the organized markets such as shopping malls, customers are cheated with wrong weights pasted on the packets.



Poor after-Sale-Service

Consumer in this world, after sale service is very poor. Even the Multinational corporations in this world do not provide effective after-sale-service in the case of office equipment, and consumer durables.

Problem of Duplicate Goods

Consumer in this world, the customers face a major problem of duplicate goods. Unethical producers duplicate popular brand names, and thereby customers get cheated. Even products like medicines are duplicated by illegal producers.

Problem of Delivery of Goods

Customers also face the problem of delivery of goods. There are cases, where customers have to book in advance certain products, and they are promised a specific delivery date. However, in spite of repeated reminders, they do not get delivery of goods on time.

Unethical (newpKiwaw;wJ) Advertising

Many businessmen resort to unethical practices in advertising. They make fall claims about the benefits of the product. They do not disclose true information. Consumers fall prey for such practices and get cheated.

No proper Return for Money

Many a time consumer feels that they do not get proper returns for the price they have paid to buy the products. This may be due to inferior quality, less durability, adulteration, unsatisfactory packing, etc.,

Health & Safety Hazards

Many a time customer face problems of health hazards)cly;eyNfhshWfs;(when they buy goods in the shops. For instance, shopkeepers sell products even after the expiry date; fruit vendors use chemicals to ripen the fruits faster; manufacturers use inferior quality of materials to keep the prices low; and so on.

Poor Quality of Sales Personnel

Many times, customers find that the sales personnel cannot give proper information about the products because they are not given appropriate training by their employers. Sometimes such persons exaggerate the merits of the products and force the customers to buy products, which may not be needed by the customer.

MAJOR CAUSES OF CONSUMER EXPLOITATION

Illiteracy and Ignorance:

Consumers in India are mostly illiterate and ignorant. They do not understand their rights.

Un-organised Consumers:

In India consumers are widely dispersed and are not united. They are at the mercy of businessmen. On the other hand, producers and traders are organized and powerful.

Spurious Goods:

There is increasing supply of duplicate products. It is very difficult for an ordinary consumer to distinguish between a genuine product and its imitation. It is necessary to protect



consumers from such exploitation by ensuring compliance with prescribed norms of quality and safety.

Deceptive Advertising:

Some businessmen give misleading information about quality, safety and utility of products. Consumers are misled by false advertisement and do not know the real quality of advertised goods. A mechanism is needed to prevent misleading advertisements.

Malpractices of Businessmen:

Fraudulent, unethical and monopolistic trade practices on the part of businessmen lead to exploitation of consumers. Consumers often get defective, inferior and substandard goods and poor service. Certain measures are required to protect the consumers against such malpractices.

Freedom of Enterprise:

Businessmen must ensure satisfaction of consumers. In the long run, survival and growth of business is not possible without the support and goodwill of consumers. If business does not protect consumers' interests, Government intervention (jiyaPL) and regulatory measures will grow to curb unfair trade practices.

Legitimacy for Existence:

Business exists to satisfy the needs and desires of consumers. Goods are produced with the purpose of selling them. Good will, in the long run, sell only when they meet the needs of consumers.

Trusteeship:

Businessmen are trustees of the society's wealth. Therefore, they should use this wealth for the benefit of people.

Measures to save consumers from Exploitation

Consumer's Education

Consumer's education and awareness are the most important measure for the solution of exploitation. The government has made several laws for the protection of consumers. But it is observed that the laws are not known to general public. Therefore, proper education of consumer's right should be provided to consumers.

Purchase of standardized goods;

Several types of goods are available in the market. But for the safety against exploitation consumers should always buy standardized goods. Goods which are *marked as ISI*, *AGMAEK* and *HALLMARK* are considered standardized goods.



Taking cash memo and receipt

To take cash memo along with purchase of a good is very important. Due to taking cash memo the legal proceeding can be done in case of the quality of goods is inferior or does not work properly before the given period of time.

Not to be lured (ftUk;) by advertisements:

Big companies publicized their products by attractive advertisements through television or other media. But the reality is this that consumer should be alert and aware of advertisements. Before the purchasing of goods, the consumer should completely verify quality, price, and quantity.

To complain collectively

A consumer alone cannot do anything against the producers and sellers, but if complaint is lodged collectively then it has more effect.

To verify the expiry date:

Whenever we purchase a medicine, we always check the expiry date. After expiry date the medicine has no effect and there is also a possibility of bad effects of medicine. The similar is the case with tinned food. Therefore, it is essential to check the expiry date before purchase.

CONSUMER EXPLOITATION AT MARKET PLACE

Underweight and under measurement

Sometimes the goods produced in the market are not properly measured or weighed. So, sellers give these goods to the consumers less than weight or measurement to get more profit. This leads to financial loss to the consumers.

Duplicate articles

In the names of branded product fake or duplicate articles of low quality are sold in the market. Duplicate items will not last long in the market because these are not manufactured according to the government specifications.

False information

Sometimes sellers mislead the consumers by giving the wrong information about the product such as its price, quality, expiry date, side effects on health and date of manufacture etc.

Artificial scarcity (nraw;ifg;gw;whf;Fiw)

Sometimes sellers create the artificial scarcity by hoarding the goods so that they can sell it later at high prices.

Consumer exploitation and remedial (jPh;T) measures

- Removal of Defects: If after proper testing the product proves to be defective, then the 'remove its defects' order can be passed by the authority concerned.
- Replacement of Goods
- Refund of Price
- Award of Compensation: If because of the negligence of the seller a consumer suffers physical or any other loss, then compensation for that loss can be demanded for.
- Removal of Deficiency in Service: If there is any deficiency in delivery of service, then orders can be passed to remove that deficiency.



- Discontinuance of Unfair/Restrictive Trade Practice: If a complaint is filed against unfair/restrictive (**epahakw;w / fl;Lg;ghlhd**) trade practice, then under the Act that practice can be banned with immediate effect.
- Stopping of sale of Hazardous Goods(**mghafukhd nghUI;fs;**)
- Withdrawal of Hazardous Goods from the market.
- Payment of Adequate Cost.

CREDIT CARD FRAUD

Lost or Stolen Card

If your card is being used without permission, report it immediately. It is a costly event for everyone involved.

Skimming (rWf;Fjy;)

Your data is skimmed from the magnetic strip on your card and then used to encode fake cards or make online purchases. Restaurants, ATM machines and gas stations are popular skimming sites.

Phishing

Computer hackers send malware to you via email. When you open the attachment or click on a link, it instantly downloads a program that gives the thief access to all the information on your computer, which could include every keystroke, including passwords.

Fake Cards

A card is created that appears to be a legitimate credit card, but has a bogus name and numbers that are not associated with any credit card company.

ID Theft

If a criminal gains access to your personal information (name, address, social security number, etc.) they could use the information to open new accounts with it or take over existing accounts.

Change of Address

A criminal could use your name and request a change of address for billing, then call the credit card company and ask that a replacement credit card be sent to the fake address.

KINDS OF ADULTERATION

Milk Adulteration: fyg;glk;

In India, which is the land of cows, large quantities of milk are adulterated. Milk adulteration involves adding water to milk and removing the beneficial fats from milk. Often soya milk, starch, groundnut milk, and wheat flour are added to milk. This makes the milk less nutritious and it results in milk being useless for the consumer.

Adulteration of Fats and Oils:

It is easy to adulterate oils and fats. But it is difficult to detect such adulteration. Ghee is often mixed with hydrogenated oils and animal fats. Synthetic colours and flavours are added to other fats to make them appear like ghee.



Food Grain Adulteration:

Food grain adulteration involves mixing sand or crushed stones to increase the weight of food grains. Cereal grains and pulses are mixed with plastic beads that resemble grains in colour and size. Very often, water is also sprayed on grains to increase the weight.

Other Adulteration:

Chilli powder is often mixed with brick powder, while tea leaves are often mixed with used tea leaves. These adulterations are very harmful to the consumer and they should be addressed by consumer organizations and consumers seriously.

PRODUCT RISKS

- If the software skips some key function that the customers specified, the users required or the stakeholders were promised.
- If the software is unreliable and frequently fails to work.
- If software fails in ways that cause financial or other damage to a user or the company that user works for.
- If the software has problems related to a particular quality characteristic, which might not be functionality, but rather security, reliability, usability, maintainability or performance.

Two quick tips about product risk analysis:

First, remember to consider both likelihood of occurrence of the risk and the impact of the risk. While you may feel proud by finding lots of defects but testing is also about building confidence in key functions. We need to test the things that probably won't break but would be very bad if they did.

Second, early risk analysis, are often educated guesses. At key project milestones it's important to ensure that you revisit and follow up on the risk analysis.

Types of financial frauds

Illegal deposit taking

Illegal deposit taking is an act of receiving, taking or accepting of deposits from members of the public that promises a repayment with interest or returns in money or money's worth without a valid license under the banking and financial institutions act, 1989.

The operators of the illegal deposit taking schemes have no valid license to collect deposits and exploit the basic human tendency towards greed. The operator promises very high returns on investment. The returns are normally higher than the rates offered by authorised investment schemes or licensed financial institutions. Besides cash, part of the return may be paid in kind, i.e. goods, jewellery, etc.

Illegal internet investment scheme

Illegal internet investment scheme is a variation of illegal deposit taking activities which employs the use of internet as primary channel for interaction, communication and transaction of business engaged in fund management and investment advice without any license.

Illegal foreign exchange trading scheme

Illegal foreign exchange trading scheme refers to the buying or Selling of foreign currency by an individual or company in India with any persons who is not a licensed onshore banker or any person who has not obtained the approval of banker or any person who has not



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obtained the approval of bank negara India under the financial services act 2013 or Islamic financial services act 2013.

Un-authorized withdrawals:

Un-authorized withdrawals involve the withdrawal or transfer of funds from an individual's banking account without proper authorisation or consent by an individual. Such incidents are normally the results of an individual knowingly, or unknowingly, divulging their personal information such as personal identification number and password to fraudulent or third parties.

Unauthorised use of credit or debit card

Unauthorised use of credit card is a transaction involving the charging of expenses/ purchase of goods and services without the consent of the cardholder. Such transactions may occur a consequence of credit or debit cards that are lost, stolen, not received, issued on a fraudulent application, counterfeit or other fraudulent conditions as defined by the credit and debit card issuer.

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UNIT - III
CONSUMER RIGHTS

Meaning

Consumption is the name given to a set of rules aimed at protecting the consumer or user of goods and services, providing certain rights and obligations.

Definition of consumer rights

Consumer right is 'the right to have information about the quality, potency, quantity, purity, price and standard of goods or services', as it may be the case, but the consumer is to be protected against any unfair practices of trade. It is very essential for the consumers to know these rights.

Consumer rights in India

- The right to be protected from all kind of hazardous goods and services
- The right to be fully informed about the performance and quality of all goods and services
- The right to free choice of goods and services
- The right to be heard in all decision-making processes related to consumer interests
- The right to seek redressal, whenever consumer rights have been infringed
- The right to complete consumer education.

Consumer Rights

Right to Safety:

This is the first and the most important of the Consumer Rights. They should be protected against the product that hampers (**jilgLfpuJ**) their safety. The protection must be against any product which could be hazardous to their health – Mental, Physical or many of the other factors.

Right to Information:

They should be informed about the product. The product packaging should list the details which should be informed to the consumer and they should not hide the same or provide false information.

Right to Choose:

They should not be forced to select the product. A consumer should be convinced of the product he is about to choose and should make a decision by himself. This also means consumer should have a variety of articles to choose from. Monopolistic practices are not legal.

Right to Heard:

If a consumer is dissatisfied with the product purchased then they have all the right to file a complaint against it. And the said complaint cannot go unheard, it must be addressed in an appropriate time frame.

Right to Seek Redressal: (Fiwg;G)

In case a product is unable to satisfy the consumer then they have the right to get the product replaced, compensate, return the amount invested in the product. We have a three-tier system of redressal according to the Consumer Protection Act 1986.



Right to Consumer Education:

Consumer has the right to know all the information and should be made well aware of the rights and responsibilities of the government. Lack of Consumer awareness is the most important problem our government must solve.

Right to Receive After-Sale Service:

It is essential in costly and durable goods i.e., mechanical and electrical/electronic appliances.

Freedom from Pollution:

It is the latest addition to consumer bill of rights. Community life should be free from various modes of pollution. This will enhance the quality of human life.

Consumer responsibilities

- **The Responsibility to be aware** of the quality and safety of goods and services before purchasing.
- **The Responsibility to gather** all the information and facts available about a product or service as well as to keep abreast of changes and innovations in the marketplace.
- **The Responsibility to Think Independently** and make choices about well-considered needs and wants.
- **The Responsibility to Speak Out**, to inform manufacturers and governments of needs and wants.
- **The Responsibility to Complain** and inform business and other consumers of dissatisfaction with a product or service in a fair and honest manner.
- **The Responsibility to be an Ethical Consumer** and to be fair by not engaging in dishonest practices which cost all consumers money.
- **The Responsibility to Respect the Environment** and avoid waste, littering and contribution to pollution.

Duties of consumer

- Duty of consumer to pay for the services or goods purchased or used.
- Duty of consumer to check weights, balances, prices etc. and read the labels carefully.
- To update oneself about the various schemes of consumer protection.
- Duty not to fall in the trap of misleading information and advertisements.
- Not to buy goods from black markets.
- To be an ethical consumer and procure the bills, receipts etc. for the good and services purchased. If a consumer fails to take them then he/she might find it difficult to file a complaint and prove the defect in the good.
- Duty to gain knowledge about consumer rights and duties and to spread awareness about the same.
- Duty to file a complaint in case there is a defect in the good or service so purchased.



UNIT - IV
CONSUMER PROTECTION

Meaning

Consumer protection means protecting the rights of consumers. It also helps to protect fair trade competition and truthful information in a market economy. Various laws and organisations are designed to do this. The laws are designed to stop companies using unfair practices to gain an advantage over their competitors.

Need for consumer protection

- a) Protection of consumers from hazards to their health and safety;
- b) Promotion and protection of the economic interests of consumers;
- c) Access of consumers to adequate information to enable them to make informed choices according to individual wishes and needs;
- d) Consumer education, including education on the environmental, social and economic impacts of consumer choice;
- e) Availability of effective consumer redress;
- f) Freedom to form consumer and other relevant groups or organizations and the opportunity of such organizations to present their views in decision-making processes affecting them;
- g) Promotion of sustainable consumption patterns.

REASONS FOR CONSUMER PROTECTION ACT

- **Consumer Ignorance:** Consumer when seeing it from their point of view then we have gathered some aspects to it. Of which, Consumer Ignorance needs to be taken care of they should know how to exercise their rights and how to seek reliefs.
- **Unorganised Consumer:** We need a Consumer Organisation which can unify the consumers and help them seek relief with their consumer issues.
- **Widespread Exploitation of Consumer:** Consumer is been exploited through the ways of adulteration, false practice, fake weights, incomplete information on packaged products, Misleading Advertisements. For instance, there are many products that claim to make you fair or reduce your weight but when you use the products it does not provide what is promised.
- **Long-Term Interest of Business:** If one wants to increase their customer base in long-term then they need to make a satisfied customer. A satisfied customer with their word of mouth would make more customer and increase the consumer base.
- **Business uses society's Resources:** Business should not hamper consumer confidence as most of the resources taken from the society. In turn, business keeps in mind public interest and provide products accordingly.
- **Social Responsibility:** Business have responsibilities towards the consumer, government bodies and society and they should work in a way which should be beneficial to them and the business as in return it will flourish (nropj;J tsUk;)their business.
- **Moral Justice:** Business has a moral duty to the society and consumer and they should take steps which should not hamper the society or consumer. They should prevent any sort of exploitation like adulteration, unfair practices, defective product, fair price and weight.
- **Government Intervention:** To avoid the situation of government intervention in the business which could be a hectic task. For that business should design their trade practice in such a way which would be in the interest of the consumer.



How to protect the consumer

- The consumer should be educated on their rights and responsibilities
- Their grievances should be redressed
- The judicial body requires to provide them with the justice.

Importance of Consumer Protection:

Consumer Point of View:

- **To shape Consumers-** Indian customers are not well-organised and vendors exploit them easily.
- **Impart Market Information-** Most of the consumer is clueless and have no information about the product they are buying and this might cause them losses.
- **Physical Safety-** Some products are adulterated and can hamper consumer health. So, they need to be protected.
- **Avert Monopoly-** Irrespective of different restriction many organisations follow monopoly practice and consumers gets influenced and should be protected.
- **Malpractices-** Company pursues biased trade practices and unlawful trade practices and this protection plays a crucial role.
- **Misleading advertisement-** Many enterprises, intentionally trick consumers through incorrect or deceptive advertisements. This act will shield consumers from getting exploited.
- **Education Consumers about their Basic Rights-** Most consumers ignore or don't know about their rights. The Consumer Protect Act educates them and secures their rights and interests.

Legal measures of consumer protection act

The Consumer Protection Act, 1986 (COPRA)

- In this, it protects the right of the consumer and makes user aware of their rights.
- They have developed or formed three-tier system wherein there is District Forums, State Commission, and National Commission thus to protect the right of the consumer.

Indian Contract Act, 1972

- They lay down the conditions in which the parties promise each other of the services to be provided and agree on certain terms. The contract is made that is binding on each other.
- They protect the interest that the contract is not breached and in case if breached the remuneration (Cjpak;) to be provided.

The Sales of Good Act, 1930

To ensure the consumer rights in case the goods offered to the consumer is not up to the standard which was promised and the false claim was made.



The Essential Commodities Act, 1955

To keep track of the commodities which are essential and monitor their production and supply Also keep a track of any hoarders, black marketers,

The Agricultural Produce (Grading and Marking) Act, 1937

To implement the grading standard and hence monitoring the same whether standard checks are been done to issue the grading. In this, AGMARK is the standard introduced for agricultural goods.

The Prevention of Food Adulteration Act, 1954

This act makes sure the purity of the food items and the health of the consumers which could be affected by the adulterated items.

The Standards of Weights and Measures Act, 1976

The Standards of Weights and Measures Act protects the right against the goods which is underweight or under measured.

The Trade Marks Act, 1999

This act protects users from false marks which could mislead the consumer and hence cheat them in the ground of quality of the product.

The Competition Act, 2002

The Competition Act replaced from the Monopolies and the Restrictive Trade Practices Act following to take action against the firms which use such practice which in turn affect the competition in the market.

The Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act ensures about the quality of the product to be used by the consumer and have introduced BIS Mark to certify the quality of the product and have set up grievance cell which can take complaints regarding the quality of the product.

The Consumer Protection Act, 1986 (COPRA)

It is an Act of the Parliament of India enacted in 1986 to protect the interests of consumers in India. It is replaced by The Consumer Protection Act 2019. It is made for the establishment of consumer councils and other authorities for the settlement of consumer's grievances and matters connected therewith it. The act was passed in Assembly in October 1986 and came into force on December 24, 1986.

OBJECTIVES

- I. The right to be protected against marketing of goods which are hazardous to life and property;
- II. The right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices;
- III. The right to be assured, wherever possible, access to an authority of goods at competitive prices;
- IV. The right to be heard and to be assured that consumers interests will receive due consideration at appropriate forums;



- V. The right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and
- VI. Right to consumer education

Features of consumer protection act

The Consumer Protection Act covers all public, private and cooperative sectors. This applies to all the goods and services until and unless the Union government exempts it. Provisions of the Consumer Protection Act are compensatory in nature.

Three tier features of the act

District Forum:

- Each District has a District Forum.
- District Forum consists of three members.
- Out of the three, one is President, who is or has been or is qualified to be a District Judge.
- One of the members shall be a woman.
- It entertains complaints where the value of claim is up to ` 20 Lakhs.

State Commission:

- Each state has one State Commission.
- It consists of a President, who is or has been a Judge of a High Court and two other members, one of whom shall be a woman.
- Complaints can be filed in State Commission where the value of claim is above ` 20 Lakhs up to ` one Crore.
- Appeals against the Orders of the District Forums can also be filed in the State Commission.

National Commission:

- The National Commission is located in Delhi.
- It consists of a President who is or has been a Judge of the Supreme Court and not less than four members, one of whom shall be a woman.
- Complaints for value of claim exceeding rupees one crore can be filed in the National Commission. It takes appeals against Orders passed by the State Commissions.
- The Orders of this Commission can only be challenged in the Supreme Court.

Redressal:

Three Tier System under Consumer Act

District Forum:

These for a are set by the district of the state concerned in each district wherein it consists of President and two members of which one should be a woman and is appointed by the State Government. In this, the complaining party should not make a complaint more than 20 Lacs and once the complaint is filed the goods are sent for testing and if they found defective the accused party should compensate and if the party is dissatisfied can make an appeal with state commission within 30 days.

State Commission:

This is set up by each state It consists of President and two members. Complains should be at least 20 lacs and exceed not more than 1 crore. The goods are sent for testing and



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CONSUMER AWARENESS (NME)
SEMESTER – III, ACADEMIC YEAR 2020-21**



if found defective are asked for replacement or compensation (,og;gPL). If not satisfied can make an appeal within 30 days in front of the National Commission.

National Commission:

Consist of President and 4 members. The complaint must exceed an amount of 1 crore. The goods are sent for testing and if found defective are asked for replacement or compensation.

Kamaraj College



UNIT -V MODEL FORM OF COMPLAINTS

Meaning

A statement that something is unsatisfactory or unacceptable

Who can file a complaint?

Under Consumer Protection Act, 1986 a complainant can be:

- Any consumer;
- Voluntary consumer association;
- Central Government or State Government;
- One or more than one consumer, where there exist many consumers;
- In cases of death of consumer, his legal heir or representative.

The complainant can file a case with the help of a consumer protection lawyer in case of violation of his rights.

What kind of complaints can be filled?

1. Unfair trade practice or a restrictive trade practice by the trader
2. Defect in the product
3. Deficiency in Service
4. Offering goods which are hazardous to life
5. Selling the goods in excess of the fixed price.

Unfair & Restrictive Trade Practice

As per the Act, 'unfair trade practice' will mean the trade practice wherein the trader uses any unfair method for promoting sale and having larger profit. This method can include false representation of the product including its quality and standard, false and misleading statement about the warranty and guarantee of the product.

Example:

If a trader is representing the weight of a packet of sugar to be 500gm whereas actually the weight is 400gm, then it is an unfair trade practice.

Defect

'Defect' has been defined in the Act as any fault, imperfection or shortcoming in the quality or any other standard of the product which is required to be maintained by the trader as per certain laws or terms of contract. There are two kinds of defects- a) General and b) Manufacturing.

General Defect

These are the defects that are either inconsistent with any law or with the benchmark that has been set by the law.

Manufacturing Defect

'A fundamental basic defect which creeps while manufacturing a machinery'.

Or

'An unintended aspect of finished product due to error or omission in assembly or manufacture, that causes injury.'



Deficiency in Service

'Service' means service of any description which is made available to the potential users.

So, the main conditions in order to prove deficiency of service are:

1. There must be a service to perform.
2. There must have been a non-performance or any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance.
3. The condition must not be such that the performance becomes impossible.

Offering goods which are hazardous to life

In case the seller is selling any kind of hazardous material or giving any hazardous service the consumer has a right to complain about the same. The main rationale behind this provision is to ensure that the safety of the consumer is not compromised. This is to ensure that while the goods are in the care of the trader it is not rendered unsafe through improper handling or storage and in case there is any kind of risk involved the risk must be conveyed to the consumer by the trader.

Selling the goods in excess of the fixed price

The price of any product or goods is displayed on the package of the product that is fixed by the manufacturer. Sometimes, the trader charges a price in excess of the fixed price and the price is fixed either under any law or by the manufacturer and is displayed on the goods or on its packaging. It has to be kept in mind that this ground in the complaint can only be taken if the price of the product is fixed.

Steps to file a complaint

Drafting the complaint petition- In a precise manner, a complaint needs to be drafted with the facts and proofs such as any bills, receipts, documents. Three copies need to be made of the complaint and filed with an affidavit (**gpubkhz gj;jpuk;**). The complaint also needs to be served to all the parties involved.

After the drafting, the complainant has to choose the court depending on the value of the consideration.

To ensure the rightful and speedy resolution of all the consumer complaints, the Consumer Protection Act, 1986 has a three-tier redressal system on which it operates.

The three layers of the Redressal system are: -

- 1) The District Forum at District Level- The jurisdiction of this forum entertains complains of value equal to or less than INR 20 Lacs.
- 2) State Commission at the state level- The jurisdiction of this forum entertains complains of value equal to or less than INR One crores.
- 3) National Commission at National level- The jurisdiction of this forum entertains complains of value more than Rs. 1 Crores.

Each of these forums has to provide the resolution within thirty days failing to which the consumer can escalate the complaint to the next commission.

- 4) After choosing the court, the statutory fees are to be deposited while filing the complaint.
- 5) If one is not satisfied with the verdict of these forums, they have an option to apply for a revision to the honourable Supreme Court of India.
- 6) The complaint can be filed within two years of buying or using the service.



Grievance

A grievance is any dissatisfaction or feeling of injustice having connection with one's employment situation which is brought to the attention of management.

Distinguish between dissatisfaction, complaint, and grievance.

1. Dissatisfaction is anything that disturbs an employee, whether or not the unrest is expressed in words.
2. Complaint is a spoken or written dissatisfaction brought to the attention of the supervisor or the shop steward.
3. Grievance is a complaint that has been formally presented to a management representative or to a union official.

FEATURES OF GRIEVANCE

1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization.
2. The dissatisfaction must arise out of employment and not due to personal or family problems.
3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.
4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.
5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfilment of one's expectations from the organization.

CAUSES OF GRIEVANCES

Economic

Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance-related pay awards.

Work environment

It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.

Supervision

It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism (rhjftjhjk;), nepotism, (xw;Wik), caste affiliations and regional feelings.

Organizational change

Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.



Employee relations

Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation (**Vsdk; kw;Wk; mtkhdk;**), or other inter-employee disputes.

Miscellaneous

These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

REDRESSAL SETTLEMENT MACHINERY

Conciliation

Conciliation (**rkurk;**) means reconciliation of differences between persons. Conciliation refers to the process by which representatives of workers and employers are brought together before a third party with a view to persuading them to arrive at an agreement by mutual discussion between them. The alternative name which is used for conciliation is mediation. The third party may be one individual or a group of people.

Arbitration

Arbitration (**eLth;**) is a process in which the conflicting parties agree to refer their dispute to a neutral third party known as 'Arbitrator'. Arbitration differs from conciliation in the sense that in arbitration the arbitrator gives his judgment on a dispute while in conciliation, the conciliator disputing parties to reach at a decision.

The arbitrator listens to the view points of the conflicting parties and then gives his decision which is binding on all the parties. The judgment on the dispute is sent to the government. In India, there are two types of arbitration: Voluntary and Compulsory.

Adjudication jPh;g;G

The ultimate legal remedy for the settlement of an unresolved dispute is its reference to adjudication by the government. The government can refer the dispute to adjudication with or without the consent of the disputing parties. When the dispute is referred to adjudication with the consent of the disputing parties, it is called 'voluntary adjudication.' When the government herself refers the dispute to adjudication without consulting the concerned parties, it is known as compulsory adjudication.