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## **An evaluative study on consumer rights in the context of business**

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### **Abstract**

*In this paper an attempt is being taken to evaluate the present position of consumer rights in the field of business. In doing so, the entire paper is divided into three parts. The first part entitled 'Theoretical Prospect' includes an Introduction, Meaning of consumer rights and Consumerism, Position of consumer rights in global context, Review of literature, Objectives and Methodology. The second part entitled 'Evaluative Study on Consumer Rights in the Context of Business' provides a comprehensive study of consumer rights such as Various dimensions of consumer rights, Needs of consumer rights and Measures of protection. The third part entitled 'Conclusion', where different findings as identified throughout the study are given. Accordingly some suitable suggestions are also put forward with a view to removing the above findings along with a conclusion.*

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### **PART-I**

#### **Theoretical Prospect**

**1.1 Introduction:** Consumer right is an immensely important aspect to be considered by every business house. Because by protecting consumer rights, business develop welfare to consumer and ensure justice and personal freedom to them and thereby modern society can move towards an advanced state of social development. But in most of the modern business houses, it is seen that in majority cases, they frequently violate the consumer rights by supplying inferior goods, creating artificial food scarcities, providing incomplete information about the product and deceptive advertising etc. The law of the free marketplace causes competition among the various businesses, which creates variations in the quantity, quality and cost of the products that are in demand by the consumer. These products are marked in a number of ways that it is often difficult for the consumer to judge their quality adequately. Again more varieties of the same product encourage false advertising which claims and give the consumer a false sense of choice. On the other hand poor distribution and underutilization of food grains lead to violation of human rights by artificially-creating food scarcities in the country. Considering these circumstances, there is a need of careful research work on the topic referred to here, so that this kind of research work can provide some effective guidelines to the business community, consumer as well as to general people of the society, by virtue of which they can maintain the necessary consumer rights in course of performing their respective activities. This type of research helps in enhancing consumer awareness towards their rights. Keeping in view this importance of the research work on consumer rights, the present study aims at discussing some important aspects of consumer rights in the context of business. These aspects include various dimensions of consumer rights, needs of consumer rights and measures of protection.

**1.2 Meaning of consumer rights and consumerism:** Consumer rights are the rights given to a "consumer" to protect him/her from being cheated by salesman/manufacturer/shopkeeper (Jain, n.d.). It is refer to a consumer's right to safety, to be informed, to choose and to provide manufacturers with information concerning their products when they make a purchase. There are strong and clear laws in India to defend consumer rights. Out of the various laws that have been enforced to protect the

consumer rights in India, the most important is the Consumer Protection Act, 1986 which define consumer right as the 'right to be protected against marketing of goods and services which are hazardous to life and property'. Consumerism is a social as well as economic order which encourages the buying of goods and services in ever-greater amounts. In some places, the term consumerism refers to the organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers (Kotler & Armstrong, 2009). The consumer movement covers some extra rights such as adequate information of the product, proper protection against questionable products and influencing power on product for improving quality of life in addition to the traditional rights such as right not to buy a product, expect safety product and right to claim the expected performance from the product.

In present situation, consumer protection has assumed to be greater importance and relevance. According to McMillan Dictionary (1985) "Consumerism is concerned with protecting consumers from all organisations with which there is exchanged relationship. It encompasses the set of activities of government, business, independent organisations and concerned consumers that are designed to protect the rights of consumers".

**1.3 Position of consumer rights in global context:** Consumer protection is a set of regulations and legal framework designed to ensure the rights of consumers. The key principles of consumer protection were first enshrined at an international level in the UN Guidelines for Consumer Protection (UNGCP). The United Nations Guidelines on Consumer Protection, 1985 stresses and urges the role of governments to develop and maintain a strong consumer protection policy. Now the Governments all over the world have been trying to build a strong legal and regulatory framework to ensure consumer interests' and welfare.

Consumers play an important role in the European Union (EU) economy and in the achievement of the political objectives of the European Union. The EU Consumer Protection Cooperation (CPC) Regulation was adopted in 2004 to enhance the enforcement of EU consumer protection legislation in the internal market and the European economic area, as part of a package of measures to support consumers' interests. The European Consumer Centers Network (ECC-Net) is a service with a human face providing consumers with information on their rights, and assistance with complaints on cross-border purchases within the EU.

The consumer movement in Africa came into being over time as a result the dissolution of the Soviet Union, the deregulation of markets by governments which are implementing structural adjustments, and the influence of external activist organizations like Consumers International supporting community efforts to promote consumer protection. The Kenya Consumers' Organization, the Consumer Council of Zimbabwe, the Housewives League in South Africa, and the Institute for Consumer Protection in Mauritius are among the most prominent and oldest of consumer organizations which formed before the late 1970s. Again there are various pieces of powerful legislation in place to protect consumers, the most important being the Consumer Protection Act (Act 68 of 2008) and the National Credit Act (Act 34 of 2005). Other consumer organisations are National Consumer Commissions which is set up to administer the Consumer Protection Act and came into effect in April 2011, National Consumer Forum which is dedicated to the promotion and protection of consumer rights, South Africa National Consumer Union that represents millions of consumers, Association for Savings and investment South Africa that aims to promote a culture of savings and investment in South Africa by working with regulators, government and its members, The Financial Services Board (FSB) an independent institution is committed to promoting and maintaining a sound financial investment environment in South Africa which regulates insurers, intermediaries, retirement funds, friendly societies, unit trust schemes, management companies, and financial markets and Commission for Conciliation, Mediation and Arbitration which is a dispute resolution body established in terms of the Labour Relations Act (Act 66 of 1995).

In the United States a variety of laws at both the federal and state levels regulate consumer affairs. Among them are the federal Fair Debt Collection Practices Act, the Fair Credit Reporting Act, Truth in Lending Act, Fair Credit Billing Act, and the Gramm-Leach-Bliley Act. Every year Consumer Federation of America and the North American Consumer Protection Investigators conduct a survey of state and local consumer protection agencies to ask about the top complaints they received the previous year, their biggest challenges and achievements, and their suggestions for new laws needed

to better protect consumers. These agencies provide direct information and assistance to the public. The North American Consumer Protection Investigators (NACPI) is highly recognized international association in consumer affairs. It is represented by consumer protection agencies (local, state, and federal) from all over the United States and Canada.

In the field of consumer protection, Germany and Europe possess a comprehensive law system, which ensures a high level of consumer protection. The ASEAN Coordinating Committee on Consumer Protection (ACCCP) promotes consumer protection in Southeast Asia. The Consumer Forum of East Asia Nations is an international platform which holds the consultative meetings on consumer policy among China, Japan and Korea on a biennial basis including exchanging information on policies, regulations and other consumer-related issues.

Consumers have long been seen as disadvantaged, especially in the less developed areas of China. On October 25, 2013, China's President and Chairman of the Communist Party of China Xi Jinping signed off on the long-expected revised Law on the Protection of Consumer Rights and Interests (the "**New Consumer Law**"), which is believed to be the first major national overhaul on the consumer protection legislations in two decades. The New Consumer Law come in to effect on March 15, 2014, on which day the 20-year old current Law on the Protection of Consumer Rights and Interests will cease to be effective. The Ibero-American Forum of Consumer Protection Agencies (FIAGC) is a multilateral forum formed by the governmental agencies of Latin America, Spain, and Portugal to promote the cooperation among members, through the exchange of information and experiences in all those topics of common interest to perform with efficiency when developing and applying public policies for consumer protection. Again Central American Council of Consumer Protection (CONCADECO) was established with the mandate to promote consumer protection and harmonize policies in Central America. The aim of the council is also to share information about cross-border commercial activities that may affect consumer interests, and to encourage international cooperation among law enforcement agencies as well as regulatory bodies in different sectors, consumer associations and academia.

In Australia, the corresponding agency for consumer protection is the Australian Competition and Consumer Commission or the individual State Consumer Affairs agencies. It is an independent statutory authority that was established in 1995 to administer the Trade Practices Act 1974 (renamed the Competition and Consumer Act 2010 on 1 January 2011) and other acts. The Australian Securities and Investments Commission have also the responsibility for consumer protection regulation of financial services and products.

**1.4 Review of Literature:** Though the first consumer movement began in England after the Second World War, a modern declaration about consumer's rights was first made by the former US President, John F. Kennedy before the US Congress on March 15, 1962, where four basic consumer rights were recognized that is the right to satisfaction of basic needs, the right to safety, the right to be informed and the right to choose. This is acted as the springboard for research in this area. After that a number of research studies have been undertaken on consumer rights, awareness among the consumers about protections, against violations at the global level and in India. Some studies dealt on methodological issues and some on empirical analysis. The researcher has tried to review the following:

**Quazi (2002)** examined the managerial perception of consumerism with reference to the very different macro environments of two countries--Australia and Bangladesh and found significant differences between the two groups of managers in terms of their commitment to consumerism on such issues as government regulation, advertising to children, the role of consumer organization and industry self-regulation. **Bradgate (2010)** in his research report that is prepared for the UK Department for Business, Innovation and Skills examined some of the legal issues raised by the continued growth of the market in digital products and the protection currently given by the law to the consumer of digital products. According to him the present law on consumer rights on purchase of digital products is unsatisfactory on several grounds. Further he argued that despite several court decisions and the numerous discussions in academic and practitioner literature, the status of digital products and the consumer's rights on purchase of such products remain unclear. **Chaudhry, Chandhiok & Dewan (2011)** studied on consumer protection and consumerism in India. They argued that consumers of developing countries have not been able to play a greater role in the development process only because of poverty, unemployment and low literacy level. Although now

government has attempted to safeguard consumer's interests through various legislations, consumer awareness through consumer education and actions by the government, consumer activists, and associations are also needed the most to make consumer protection movement a success in the country. **Khurana & Khurana (2012)** conducted study on 100 respondents to study the general awareness among consumer regarding consumer protection and specially awareness of provisions of Consumer Protection Act 1986. Further he said that today most of the consumers have general awareness in relation to consumer protection and to safeguard the interests of the consumers, Consumer Associations, Business Associations and Government Legislations are also actively working. **Krishnakumar & Sakthiventhan (2012)** conducted study on 125 rural respondents of Cuddalore district to examine the consumer protection awareness among rural consumers. They have the opinion that rural respondents are lacking with their heights and responsibility and therefore they should be educated and trained towards their own welfare. **Fernandes (2013)** examined about the various dimensions of comparative advertising and its impact on the registered trademarks of the owners. He argued that although initially comparative advertising was considered as unfair competition but today it has been looked upon positively as a means of providing a detailed study reference which would in turn help consumers in knowing the true facts of the various products and be careful in their purchases. **Nwaizugbo & Ogbunankwor (2013)** examined the level of satisfaction attained by the consumers from different consumer protection agencies in Anambra State, Nigeria. For this purpose they have surveyed total 43 out of 92 complainants and found that consumer protection agencies and duties carried out by these consumer protection agencies have significant effect on consumer satisfaction. They further recommended that the agencies should among other things, liaise with market associations, the media, consumer groups, sister agencies and other relevant stakeholders to achieve the desired consumer satisfaction.

Thus, from the above review of literature it is evident that quite a number of studies have already been undertaken on consumer rights and related issues. The present study in this respect is an attempt to discuss some important aspects of consumer rights in the context of business.

### 1.5 Objectives of the study:

The study is based on the following objectives:

- To study the various dimensions of consumer rights in the context of business.
- To study the need for consumer rights.
- To know about the various measures of consumer protection.

**1.6 Methodology of the study:** The study is based on both primary and secondary data. The primary data are compiled by the techniques of personal interview and questionnaires. In this regards, it is to be mentioned that a few well reputed and long experienced business persons have been selected for highlighting their view and attitudes towards the consumer rights. Further with a view to conducting necessary questionnaires, a group of respondents is formed consisting 95 nos. taking from different relevant categories as follows:

**Table No: 1.1**

Sl. No.	Respondents	Nos.
1.	Businessmen having minimum 10 years' experience: i. Trader = 10 ii. Manufacturer = 10 iii. Auxiliary service render = <u>10</u>	30
2.	Advocate deals with the concerned Act.	03
3.	Senior Citizen	07
4.	Consumers	25
5.	Govt. Officials	10
6.	Cultivator	10
7.	Banker	10
<b>8.</b>	<b>Total</b>	<b>95</b>

### Formation of sample Respondent

On the other hand, the secondary data have been collected from different books, journals, report, newspapers and relevant websites.

In fine, both the primary and secondary data have been analysed and explained in the light of prevailing position of consumer right and thereby some major findings are identified. Accordingly some suitable suggestions are put forward.

## **PART-II**

### **An Evaluative Study on Consumer Rights in the Context of Business**

Today an average Indian consumer is poor, illiterate, ignorant, passive, unaware, unorganized and sometimes helpless. Due to economic inequality, low levels of literacy and ignorance most of the consumers are not able to assert their rights and on many occasions are exploited by the trade and industry and service providers. In addition, with revolution in information technology newer kinds of challenges are thrown on the consumer like cyber-crimes, plastic money etc., which affect the consumer in bigger way. In this context, the government, however, has a primary responsibility to protect the consumers' interests and rights through appropriate policy measures, legal structure and administrative framework. Of course, to make effective such kind of govt. steps, the consumer awareness is also immensely important. Below various dimensions of consumer rights have been discussed.

**2.1 Various dimensions of consumer rights:** Globalisation and liberalisation of trade and business has resulted in many products and services being available to the consumers. According to UN demographer, Cheryl Sawyer, India would be the most populous nation in the world by 2030. Economist feels that vast population will confer a huge economic benefit to India (Ramaswamy & Namakumari, 2009). India has a vast magnitude of middle class population in the world and the age mix of India's population is quite favorable for economic growth. Growth in economy has resulted in increase in the purchasing power of the middle class section, which is the largest segment of the population. This has necessitated giving high priority for the protection of the consumers and promotion of responsible consumer movement in the country (Report of the Working Group on Consumer Protection). Any goods or services produced in an economy are ultimately meant for consumers. According to Sergio Zyman, the former Vice President marketing, of Coca-Cola, globally the consumer environment in recent years is characterized by the rise of 'consumer democracy' (Ramaswamy & Namakumari, 2009). Therefore, the consumers themselves should have the right to take decisions about the allocation of resources for their own needs. In doing so, every consumer should know the various dimensions of their rights. In this connection, the various dimensions of consumer right can be understood from it. The United Nations adopted a set of Guidelines for Consumer Protection on April 9, 1985 which was revised in 1999. These Guidelines provide a framework for Governments of developing and newly independent countries for formulation of consumer protection policies and legislations. The UN Guidelines developing policies for consumer protection (UN Guidelines, 1999), where from various dimensions of consumer rights can be identified, are as follows:

- ❖ **Physical safety:** Governments should adopt or encourage the adoption of appropriate measures, including legal systems, safety regulations, national or international standards, voluntary standards and the maintenance of safety records to ensure that products are safe for either intended or normally foreseeable use.
- ❖ **Promotion and protection of consumers' economic interests:** Government policies should seek to enable consumers to obtain optimum benefit from their economic resources.
- ❖ **Standards for safety and quality of consumer goods and services:** Governments should, as appropriate, formulate or promote the elaboration and implementation of standards, voluntary and other, at the national and international levels for the safety and quality of goods and services and give them appropriate publicity.
- ❖ **Distribution facilities for essential consumer goods and services:** Adopting or maintaining policies to ensure the efficient distribution of goods and services to consumers; where appropriate, specific policies should be considered to ensure the distribution of essential goods

and services where this distribution is endangered, as could be the case particularly in rural areas.

- ❖ **Measures enabling consumers to obtain redress:** Governments should establish or maintain legal and/or administrative measures to enable consumers or, as appropriate, relevant organizations to obtain redress through formal or informal procedures that are expeditious, fair, inexpensive and accessible.
- ❖ **Education and information programmes:** Governments should develop or encourage the development of general consumer education and information programmes, including information on the environmental impacts of consumer choices and behavior and the possible implications, including benefits and costs, of changes in consumption, bearing in mind the cultural traditions of the people concerned.
- ❖ **Promotion of sustainable consumption:** Sustainable consumption includes meeting the needs of present and future generations for goods and services in ways that are economically, socially and environmentally sustainable.
- ❖ **Measures relating to specific areas like water, food and pharmaceuticals:** In advancing consumer interests, particularly in developing countries, Governments should, where appropriate, give priority to areas of essential concern for the health of the consumer, such as food, water and pharmaceuticals.

In a developing country like India where the incidence of poverty and unemployment is very high and the level of literacy is very low, the people face a volume of problems, particularly in the context of consumer related issues (Khurana and Khurana, 2012). The consumers have to be aware not only of the commercial aspects of sale and purchase of goods, but also of the health and security aspects. Food safety has become an important element of consumer awareness these days (Mandal, 2010). Enactment of Consumer Protection Act, 1986 was one of the most important steps taken to protect the interests of consumers as well as to ensure that the manufacturers and sellers observe uniformity and transparency in prices, stocks and quality of their goods. The provision of the Act came into force, with effect from July 1, 1987. According to this Act, everybody, including individuals, a firm, a Hindu undivided family and a company, have the right to exercise their consumer rights for the purchase of goods and services made by them. In general, the consumer rights in India are as follows:

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

### Questionnaire Analysis:

Question-1: According to you what percentage of total dimensions of consumers' rights can be enjoyed by themselves (consumers) in case of Assam?

- |                       |                        |
|-----------------------|------------------------|
| a) Below 10%          | b) Between 11% to 50%  |
| c) Between 51% to 75% | d) Between 76% to 100% |

Against this question, out of 95 respondents, 42 (44.21%) respondents are of the opinion that 51% to 75% of consumers enjoyed dimensions of consumer's rights. According to these 44.21% respondents although now consumers become aware of their rights to some extent through television, radio, newspapers and other sources, but they are exploited regularly in various ways. Most of the consumers ignore if they found any adulteration in food stuff and their complain is limited to sellers or service providers only. Often they do not prefer to go consumer court. On the other hand 19 (20%) respondents are of the opinion that 76% to 100% of consumers enjoyed dimensions of consumer's rights because middle class consumers of Assam are very conscious concerning their health and safety. According to them television is the principal media through which they come to know about their rights. Now most of the consumers are aware of MRP, ISI and AGMARK. Where, 24 (25.26%) respondents said that almost 11% to 50% consumers enjoyed few consumer rights. According to them

very less number of the consumer in both urban and rural areas are fully aware of the Consumer Protection Act. 10 (10.53%) respondents have not heard about consumer protection act. Among them most are from consumers and cultivators. This can be depicted by the following diagram:

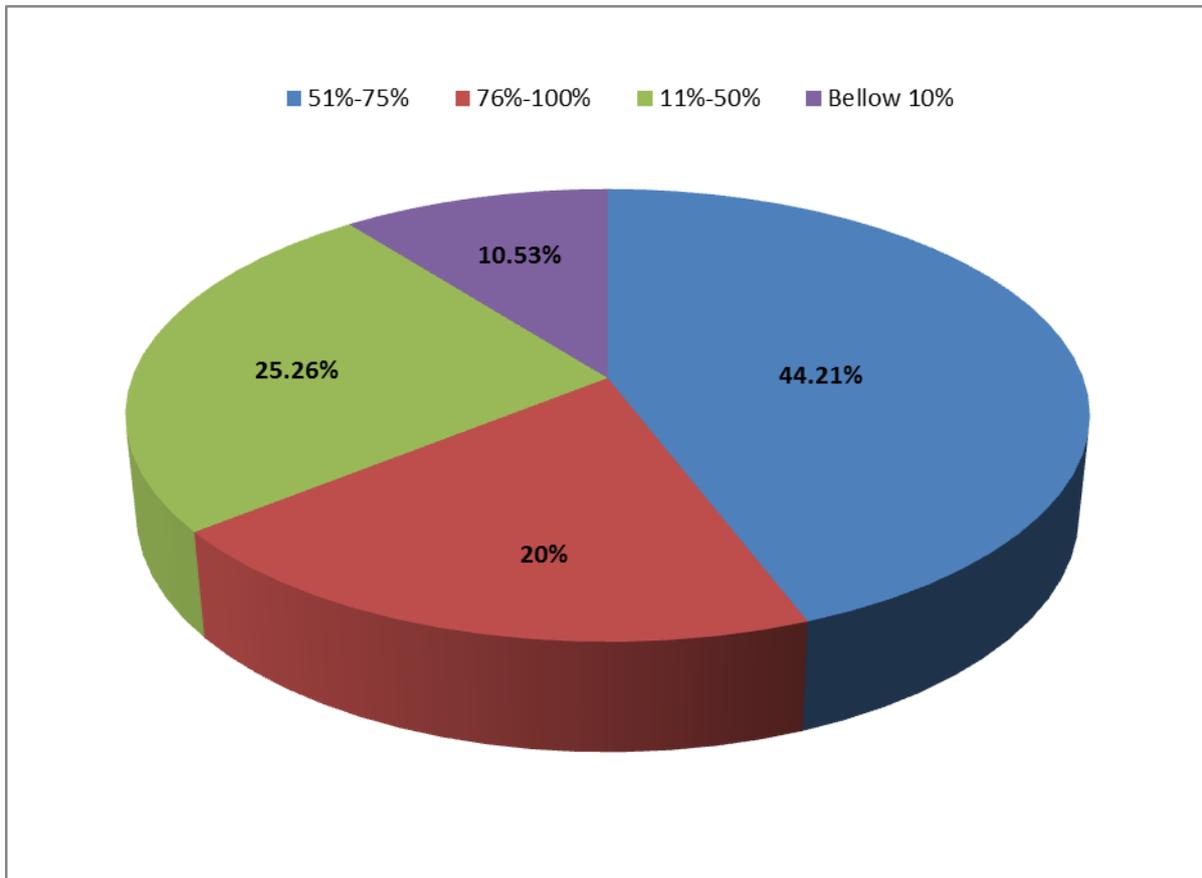


Figure: 2.1

**2.2 Need for consumer Right:** Business cannot exist without consumer. It develops the products to meet the needs of consumers, while consumers purchase them and make profit to company (Zitkus & Puskoriute, 2013). In this process business wants to make huge profit by giving misleading information and presenting a misleading advertising on product safety. Therefore in order to mitigate the market fragmentation issues and to achieve better functioning of retail markets, more attention should be paid on consumers. The need for consumer protection is:

- a) As there is increasing number of duplicate products in the market, therefore it is necessary to protect consumers from the exploitation of duplicity by ensuring compliance with prescribed norms of quality and safety.
- b) As most of the Indian consumers are illiterate, therefore a system is required to protect them from unscrupulous businessmen.
- c) As consumers are misled by false advertisement, therefore a mechanism is needed to prevent misleading advertisements.
- d) Consumers often get defective, inferior and substandard goods and poor service because of unethical and monopolistic trade practices on the part of businessmen. Therefore certain measures are required to protect the consumers against such malpractices.
- e) For survival and growth of business, business community must ensure satisfaction of consumers.
- f) As businessmen are trustees of the society's wealth, therefore they should use this wealth for the benefit of people.

Regarding the need of consumer rights, the businessmen should not think that this is only for the benefit of consumers but they should try to maintain this right as their noble duty and thereby their business will be also benefitted for long future. Business houses should remember that maintaining

consumer rights is a way of achieving sustainable development. Now a days it is seen that most of business fail to survive in the market, loss the faith from customers due to unable to maintain consumer rights by their activities. In this regard every businessman should know and apply the “Philosophy of Enlightened Marketing” (PEM) under which business able to view and organize its marketing activities from the customer’s point of view. Hence, to sustain the consumer rights, every businessman should adopt five principles of the Philosophy of Enlightened Marketing (Kotler & Armstrong, 2009). These are:

1. **Consumer oriented marketing:** The Company should view and organize its marketing activities from the customer’s point of view.
2. **Customer-value marketing:** The Company should put most of its resources into customer value building marketing investment.
3. **Innovative Marketing:** A Company seeks real product and marketing improvements.
4. **Sense-of-mission marketing:** Company should define its mission in broad social terms rather than narrow product terms.
5. **Societal Marketing:** Company should make marketing decisions by considering consumer wants, the company’s requirements, consumers’ and society’s long run interests.

### Questionnaire Analysis:

Question-1 what percentage of businessmen really feels and do their business activities for fulfilling the need of consumer rights in Assam?

- |                  |                  |
|------------------|------------------|
| a) Less than 10% | b) Less than 25% |
| c) Less than 50% | c) Less than 75% |

Against this question, out of 95 respondents, 58 (61.05%) respondents are of the opinion that less than 10% businessmen really feel and do their business activities for fulfilling the needs of consumer rights. According to their feelings consumer rights are to be maintained by offering goods and services honestly in ethical way, without which they cannot survive long. They opined that businessmen do their business for earning profit and in this profit earning process they never think about customers. On the other hand 18 (18.95%) respondent said that less than 25% businessmen really feel and do their business activities for fulfilling the needs of consumer rights. According to this 18.95% respondents, although the government, NGO, different consumer forums are trying their level best to promote and protect the interest of the consumer but it is the fact that the consumers are cheated regularly by the seller or producer. Where, 13 (13.68%) respondents are of the opinion that less than 50% businessmen do their business activities for fulfilling the need of consumer rights. They opined that although there are various techniques to mislead the customers such as high pricing, reduction of weight, quality etc., but there are also various provisions for marking and certification of product of good quality, fair price and measurement. Again many producers provide consumer helpline and toll/free numbers to take advice from this helpline. Remaining 6 (6.32%) respondents said that less than 75% businessmen really feel and do their business activities for fulfilling the need of consumer rights. According to them as the consumers are important component of society, therefore it is the social responsibility of every business houses to think about the need of consumers. Further they opined that there are some established business firms which really care for consumer satisfaction, their own reputation and goodwill. These are depicted by the following diagram:

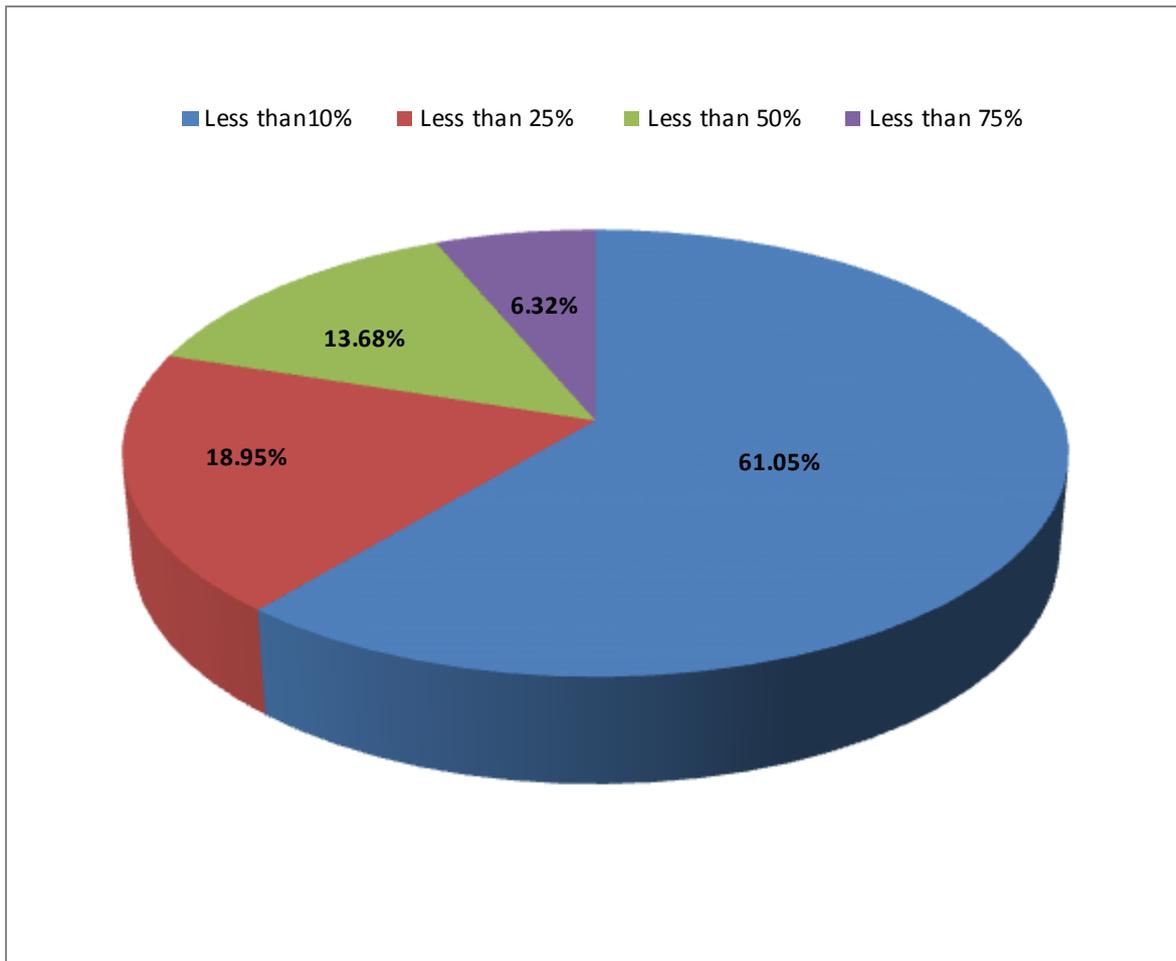


Figure: 2.2

**2.3 Measures of consumer protection:** In today's globalizing and liberalized society protection of the individual consumer and human dignity assumes greater significance especially against multinational corporations and big business monopolies. In India also Consumer Associations, Business Associations and Government Legislations are working to safeguard the interests of the consumers. Now the government of India has realized the condition of Indian consumers and therefore the Ministry of Consumer Affairs, Food and Public Distribution has incorporated the Department of Consumer Affairs as the nodal organization to protect the consumer rights, redress the consumer grievances and promote the standards governing goods and services provided in India. Therefore it can be said that consumer education and actions by the government, consumer activists, and associations are necessary for consumer protection (Singh & Grewal 2013). Again manufacturers must comply with specific laws regarding product quality and safety. The Federal Food, Drug and Cosmetics Act protect consumers from unsafe and adulterated food, drugs and cosmetics. Various acts provide for the inspections of sanitary conditions in the meat and poultry processing industries. Safety legislation has been passed to regulate fabrics, chemical substances, automobiles, toys and drugs and poisons. The Consumer Product Safety Act 1972 established a consumer product safety commission which has the authority to ban or seize potentially harmful products and set severe penalties for violation of the law (Kotler & Armstrong, 2009). Consumer protection measures/methods can be discussed by dividing them into two categories:

**General Measures:** In this part, there are three main methods of protecting the interests of consumers. These are –

1. **Self-Regulations by business:** Consumer rights can be protected with the help of the business community itself by maintaining higher ethical standards and creating healthy atmosphere in the

society. Again unfair trade practice used by some businessman needs to be scrutinized by trade associations and consumer associations.

2. **Consumers' Associations:** The consumer associations should be formed by the consumers to educate consumers, to file suit on behalf of the consumers, to raise voice against rising prices and to prevent adulteration etc.
3. **Consumer Self-Help:** Consumer should have knowledge of his rights and shouldn't allow traders to exploit him.

**4. Legislative Measures:** The government has a primary responsibility to protect the consumers' interests and rights through appropriate policy measures, legal structure and administrative framework. Consumer protection laws are a form of government regulation, which aim to protect the rights of consumers. The government has enacted more than 50 Acts/ laws which have empowered the government to control production, supply, price, distribution and quality of a large no. of goods and services. Some of them are being mentioned here : Sale of Goods Act 1930, Agricultural produce grading and marking act 1937, Drugs and Cosmetics Act 1940, Drugs and Remedies (objectionable Advertisements) Act 1954, The Indian Penal Code 1860, Indian contract Act 1872, Essential Commodities Act 1955, Trade and Merchandise Act 1958, Standards of Weights and Measures Act 1976, Supplies of Essential Commodities Act 1980, The Environment (protection) Act-1986, Banking Regulation Act 1949, Right to Information Act 2005, Food Safety and Standards Act 2005 etc. Thus it can be said that government has a well - established system for the protection of consumer's interests and for creating a healthy business environment. But a number of objectives of the above pieces of legislations overlap. So in order to overcome these limitations in different legislations and implementing machinery and keeping in view the UN guidelines, Consumer Protection Act 1986, came into existence. The act recognizes consumer's right to seek redresses and right to consumer education. The salient features of the Act are as follows:-

- Applies to all goods and services unless specifically exempted by the Union Government;
- Covers all the sectors whether private, public or cooperative;
- Enshrines the consumer's rights related to safety, information, choice, representation and redress and consumer education.
- The act gives consumers an additional remedy besides those which may be available to them under the provisions of other existing laws and they are free to choose the remedy.
- Empower consumers seeking discontinuance of certain unfair and restrictive trade practices, defects or deficiencies in services and stopping in services or withdrawal of hazardous goods from the market.

The Consumer Protection Act provides three tier machinery for redressal of consumer grievances:

1. District Consumer Disputes Redressal Forums.
2. State Consumer Disputes Redressal Commission.
3. National Consumer Disputes Redressal Commission.

In the light of present marketing scenario it is feel that every customer should be educated as well as increase their awareness towards their rights. Only thereby consumers can help in effective implementation legal and other measures. Legal measures can be materialized only when consumer awareness is found to be satisfactory. Moreover there should have enough co-operation, co-ordination, integration and communication with a view to make the implementation measurements of consumer protection.

### Questionnaire Analysis:

Question-1: Do the business houses of Assam are self-regulated in protecting consumer right?

- |                      |                      |
|----------------------|----------------------|
| a) Less number       | b) To some extent    |
| c) More than average | d) Maximum/ majority |

Against this question, 49 (51.58%) respondents said that less number of business are self- regulating in protecting consumer rights for the purpose of ultimately protect their business future not for honestly providing welfare to the customer. According to 16 (16.84%) respondents the business houses of Assam are to some extent self- regulated in this regard. Where, 21 (22.11%) respondents said that presently more than average business houses of Assam are self- regulated. It is because of the fact that most of the businesses are now aware of government regulations. Remaining 9 (9.47%)

respondents are of the opinion that majority business houses of Assam are found to be self-regulated. In support of their opinion 9 respondents said that now a days business house of Assam are strongly control by the government regulation and various legislative measures such as Consumer Protection Act, Right to Information Act, MRTP Act etc. This can be depicted by the following diagram:

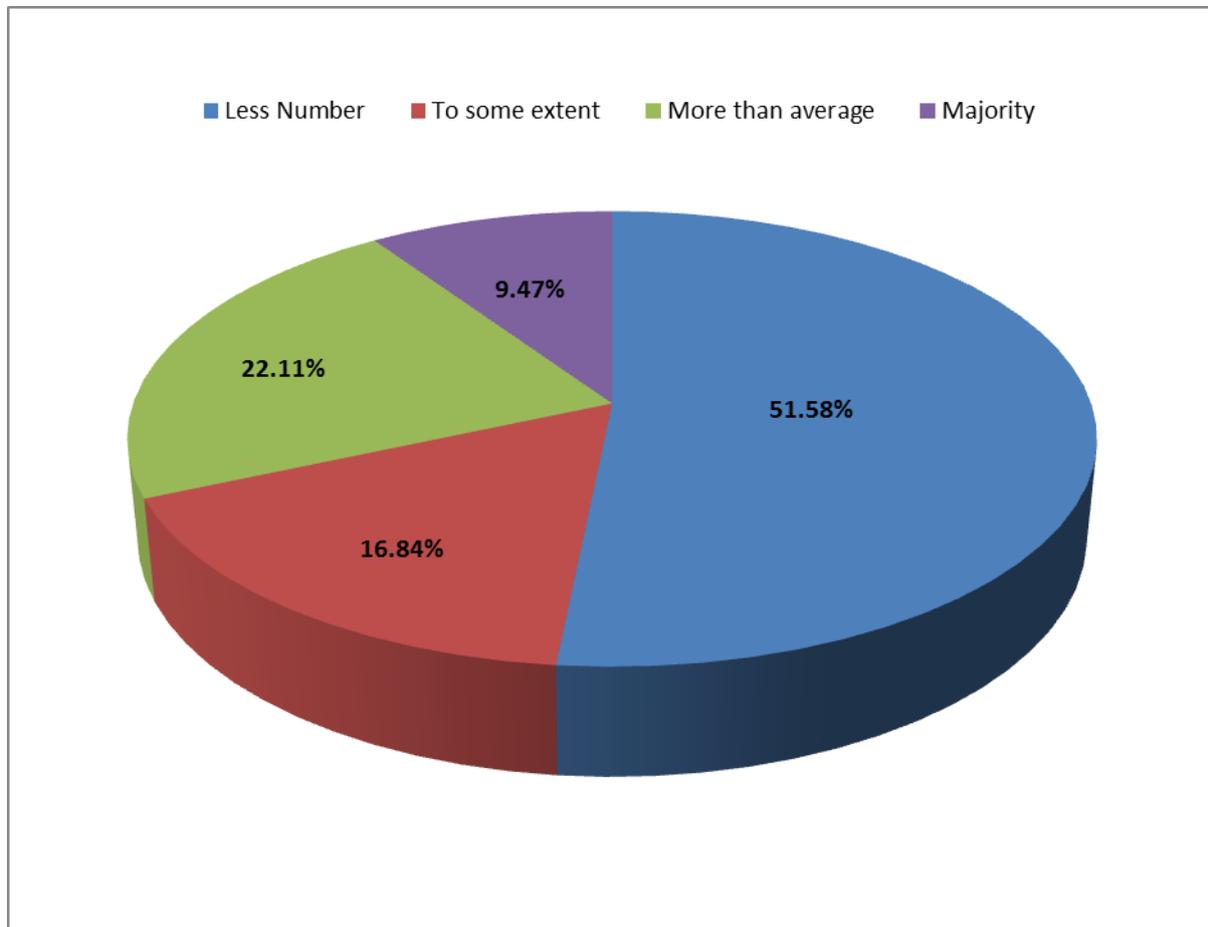


Figure: 2.3

### **PART-III** **Conclusion**

Throughout the study the following findings have been identified:

#### **3.1 Findings:**

- In Assam, on the basis of feedback of 44.21% respondents, it is come to the conclusion that below 10% of total dimensions of consumer rights are enjoyed by themselves.
- Most of the business houses of Assam are found to maintain to maintain the regulation for protecting consumer right up to which their businesses are protected. But rarely any business is found to be conscious towards consumer rights for consumer welfare motive.
- Spread of media (T.V., Newspaper etc.) is one of the reasons which force business houses of Assam to be conscious for consumer rights.
- According to majority respondents, all businessmen perform their business activities for earning profit where in doing so most of the businessmen forget the service to be rendered by themselves for the welfare of consumers.
- Most of the businessmen provide consumer protection only for their local and knowing customers but they have a tendency of exploiting some flying customers for earning profit.

- Some business maintain consumer rights externally by showing some false demonstration and passing some noble statement but internally they are frequently violating the principles of consumer rights in the greater interest of earning super profit.
- On the part of government it is also observe that right from minister level to the bottom level of officers nobody are very much conscious in protecting consumer rights to build up a welfare society where all consumers will free from exploitation.
- In most cases large business houses save themselves from legal punishment for violating consumers rights and such type of unfair means by giving bribes to the concerned departmental officials.
- One of the very lamentable matters found in case of consumers of Assam that they are not at all aware of legislative measures to be taken against business for violating consumer rights. Most of them are know these legal aspects but ignore where some of them are not so educated to save themselves legitimately. Further lack of unity amongst customers of Assam stand on the way of preventing unfair practice done by business communities.

### 3.2 Recommendations:

- Co-operation, unity and awareness along with education amongst the customers should be urgently enhanced.
- Campaign, publicity should be done widely throughout the every corner of the state.
- The attitude and ethical value of the businessmen as well as consumer should be upgraded.
- The consumer literacy should be imparted by booklet in simple and regional language to create awareness among the consumers about their rights.
- Different consumer clubs should be set up at block and village levels to entertain the consumers' problem.
- Government should encourage NGO doing their functioning on this line.
- Government officials should frequently and suddenly visit to business house for inspecting their function whether going against consumer right or not.
- Before granting business license the government should inspect the attitude and ethical value associated with the businessmen.
- Government should appoint consumer representative in every consumer cell and redressal machinery for solution of consumer complaints within a specific period.

**3.3 Conclusion:** It is the social responsibility of every business to work for the wellbeing of society where, consumer is an important part. Although Consumer Associations, Business Associations and Government Legislations are working to safeguard the interest of the consumer but it is the fact that the consumers are cheated regularly by the seller or producer. Therefore consumer awareness are needed the most to make consumer protection movement a success. It can be said that there should have an honest, friendly and brotherly relationship in between businessmen and consumers. Every businessman should realize that they are also the consumer of other business houses. Every customer should have strong determination to avoid such business houses which are found to be doing unfair means of business by violating consumer rights. Both the business houses and consumers should have a motive to build up a welfare society for which they have to discharge some responsibilities.

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