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CENTRE FOR DISTANCE AND ONLINE EDUCATION

(CDOE)

BACHELOR OF COMMERCE

SEMESTER-IV



ELECTIVE PAPER – IV-CONSUMERISM AND

CONSUMER PROTECTION

(Candidates admitted from 2024 onwards)

Prepared by

Centre for Distance and Online Education - CDOE

Periyar University, Salem - 636 011.

SYLLABUS

CONSUMERISM AND CONSUMER PROTECTION

UNIT I

Meaning of Consumer and Customer – Consumer Movements – Historical Perspectives – Concept of Consumerism – Need and Importance.

UNIT II

Meaning and Causes of Consumer Exploitation – Forms of Consumer – Exploitation – Underweight Measures, High Prices, Substandard Quality, Poor or Inadequate After Sales Services- Challenges of Consumer Exploitation.

UNIT III

Consumer Rights – John F Kennedy’s Consumer Bill of Rights – Types of Consumer Rights – Right to Safety, Right to Information (RTI), Right to Redressal, Right to Consumer education – Duties of Consumers.

UNIT IV

Reasons for the Growth of Consumerism in India- Recent Trends in Consumerism – Problems Faced by Consumers in India.

UNIT V

Consumer Protection Council – Central, State, Districts Consumer Protection Councils – Consumer Dispute Redressal Mechanism.

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UNIT –I CONSUMERISM

Meaning of Consumer and Customer – Consumer Movements – Historical Perspectives – Concept of Consumerism – Need and Importance.

Meaning and Concepts of Consumer and Customer

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UNIT OBJECTIVES

The primary objective of consumerism is for the learners to understand the nature of consumers and consumerism, to know how consumers are exploited, to be familiar with consumer rights and duties, to learn about consumer protection act, to gain insights into consumerism in India..

SECTION 1.1. Meaning and Concepts of Consumer and Customer

1.1.1. Introduction to Consumerism



Consumerism refers to the social and economic ideology that encourages the acquisition of goods and services in ever-increasing amounts. It reflects the belief that personal well-being and happiness depend, to a large extent, on the level of consumption, particularly of material goods. This phenomenon has become more prominent with the growth of modern industrial economies, globalization, and mass marketing.

1.1.2. Meaning of Consumer and Customer

Consumer-Meaning

A person who purchases the goods or avails of the services provided by the supplier by paying them in return for goods and services. A consumer is an individual or entity that purchases goods or services for personal use or consumption. Consumer can be individuals, households, business, or government entities.

Customer-Meaning

A customer is someone who purchases goods or services from a business or organization. This term is often used in a commercial context to refer to those who engage in transactions with a company.

Definition of Consumer

Michael R. Solomon: A consumer is an individual or entity that purchases goods or services for personal use or consumption. Consumers can be individuals, households, businesses, or government entities.

Definition of Customer

Philip Kotler: A customer is someone who purchases goods or services from a business or organization. This term is often used in a commercial context to refer to those who engage in transactions with a company.

1.1.3. Consumer Movements in India



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Consumer movements refer to organized efforts by individuals or groups to advocate for the rights and interest of consumers in the market place. These movements arise in response to various issues such as unsafe products, deceptive

advertising, unfair business practices, or environmental concerns. They seek to empower consumers, improve product safety, promote ethical business practices and ensure fair treatment in the marketplace.

The objectives of business communication are multifaceted, encompassing various aspects that contribute to the overall functioning and success of an organization, Here are some key objectives:

- 1. Pre - independence Era:** The roots of consumer movements in India can be traced back to the early 20th century when Indian nationalists and social reformers began advocating for the rights of consumers. Mahatma Gandhi, in particular, emphasized the importance of consumer self-sufficiency and promoted indigenous products through the Swadeshi movement.
- 2. Post - independence Era:** After independence in 1947, consumer movements gained momentum as India underwent rapid industrialization and economic development. The consumer protection Act of 1986 was a landmark legislation that provided a legal framework for consumer rights protection, Redressal of grievances, and the establishments of consumer forums at the district, state and national levels.
- 3. Role of NGOs and Consumer Organizations:** b various non- governmental organizations (NGOs) and consumer organizations have played a significant role in promoting consumer awareness, education, and advocacy in India. Organizations such as Consumer Unity & Trust Society (CUTS International), Consumer Education & Research Centre (CERC), and Consumer Guidance Society of India (CGSI) have been actively involved in consumer protections activities, research, and policy advocacy.
- 4. Focus Areas:** Consumer movements in India address a wide range of issues including product safety, food adulteration, misleading advertising, unfair trade practices, healthcare services, environmental protection, and digital rights. These movements often collaborate with government agencies, regulatory bodies, and industry stakeholders to address systemic challenges and ensure consumer welfare.
- 5. Digital Consumerism:** With the advent of digital technology and e-commerce, consumer movements in India have also expand their focus to address online consumer rights., data privacy, cyber security, and electronic transactions. Organizations like Consumer VOICE and Digital Empowerment Foundation (DEF) are actively engaged in advocating for digital consumer rights and promoting responsible online behavior.

- 6. Challenges and Future Directions:** Despite significant progress, consumer movements in India face challenge such as inadequate enforcement of consumer protection laws, lack of awareness among consumers, and the emergence of new of exploitation in the digital economy. Moving forward, there is a need for greater collaboration between stakeholders, strengthening of consumer Redressal mechanisms, and harnessing technology for empowering consumers in India.

Let's SumUp

In this topic, In essence, consumers use the products directly, while customers are purchasers of those products or services from a business. Overall, consumer movements in India play a crucial role in safeguarding consumer interests and promoting a fair marketplace where consumers are treated ethically and have recourse against unfair practices.

CheckYourProgress-Quiz-1

1. When the performance of a product or service exceeds the expectation, the customer is
 - a. Happy
 - b. Satisfied
 - c. Delighted
 - d. None of the above
2. In a situation where parents buy toys for kids, the parents are ____
 - a. Decider.
 - b. Maintainer
 - c. Buyer
 - d. All of the above
3. The customers who look for quality while making a purchase decision come under
 - a. Quality oriented style
 - b. Impulsive style
 - c. Pleasure oriented style
 - d. None of the above
4. Consumer behavior is a study of
 - a. Macroeconomics
 - b. Microeconomics
 - c. Purchasing power parity
 - d. All of the above

5. In CDM the first stage is
- a. Alternative evaluation
 - b. Need
 - c. Purchase
 - d. Information search

1.2. Historical Perspectives

1.2.1. An overview of historical Perspective

Historical perspectives of consumerism provide insights into how consumer culture has evolved over time, shaped by socio-economic, cultural, and technological factors. Here's an overview:

1. **Early Roots:** The origins of consumerism can be traced back to ancient civilizations where trade and commerce played a significant role in societal development. However, the modern concept of consumerism began to emerge during the Industrial Revolution in the 18th and 19th centuries when mass production, urbanization, and advertising transformed the way goods were produced, marketed, and consumed.
2. **Rise of Mass Consumption:** The early 20th century saw the rise of mass consumption in Western societies, driven by factors such as rising incomes, increased urbanization, and technological innovations. Mass production techniques pioneered by companies like Ford revolutionized the manufacturing process, making consumer goods more affordable and accessible to the general population.
3. **Post-World War II Era:** The period following World War II marked a significant expansion of consumer culture, particularly in the United States. The economic boom, known as the "Golden Age of Capitalism," fuelled consumer spending on automobiles, appliances, and suburban homes. Advertising played a central role in shaping consumer desires and promoting a culture of materialism and conspicuous consumption.
4. **Consumer Rights Movement:** The 1960s and 1970s witnessed the emergence of consumer rights movements in response to concerns about product safety, environmental pollution, and deceptive marketing practices. Consumer advocates like Ralph Nader campaigned for greater government regulation, product labelling, and

advocates for consumer rights, product safety, transparency, and ethical business practices. Here's a more detailed breakdown of the concept:

- 1. Empowerment of Consumers:** Consumerism seeks to empower consumers by promoting their rights to information, choice, safety, and redressal of grievances. It emphasizes the importance of informed decision-making and encourages consumers to assert their interests in the marketplace.
- 2. Product Safety and Quality:** Consumerism advocates for the regulation of products and services to ensure their safety, quality, and reliability. This includes measures such as product testing, labelling requirements, and government oversight to protect consumers from harm and deception.
- 3. Transparency and Accountability:** Consumerism promotes transparency and accountability in business practices, including advertising, pricing, and product labelling. It calls for honesty, fairness, and integrity in dealings between consumers and businesses, as well as corporate responsibility for the social and environmental impacts of production and consumption.
- 4. Consumer Advocacy and Education:** Consumerism involves advocacy efforts to promote consumer rights and interests, as well as consumer education initiatives to empower individuals with the knowledge and skills to navigate the marketplace effectively. This may include consumer rights awareness campaigns, consumer protection laws, and financial literacy programs.
- 5. Ethical Consumption:** Consumerism encourages ethical consumption practices that take into account the social, environmental, and ethical implications of purchasing decisions. It promotes sustainable consumption habits, such as buying locally-produced goods, supporting fair trade products, and reducing waste and overconsumption.

- 6. Critiques and Debates:** While consumerism has been instrumental in advancing consumer rights and protections, it has also been subject to criticism. Critics argue that consumerism fosters materialism, overconsumption, and environmental degradation, and contributes to social inequality and cultural homogenization. Some advocate for alternative models of consumption that prioritize sustainability, simplicity, and well-being over material accumulation.

1.2.3 Need and Importance of Consumerism

The need and importance of consumerism stem from various factors related to consumer rights, market dynamics, and societal well-being. Here's a breakdown of why consumerism is essential:

- 1. Protection of Consumer Rights:** Consumerism plays a crucial role in safeguarding the rights of consumers. By advocating for laws and regulations that protect consumers from unfair practices, deceptive advertising, and unsafe products, consumerism ensures that individuals have access to essential information, fair treatment, and recourse in case of grievances.
- 2. Ensuring Product Safety and Quality:** Consumerism promotes standards and regulations to ensure the safety, quality, and reliability of goods and services. By holding businesses accountable for the products they produce and sell, consumerism helps prevent harm to consumers and maintains trust in the marketplace.
- 3. Promoting Transparency and Accountability:** Consumerism advocates for transparency and accountability in business practices, including advertising, pricing, and labelling. By promoting honesty, fairness, and integrity in commercial transactions, consumerism fosters trust between consumers and businesses and reduces the risk of exploitation and fraud.
- 4. Empowering Consumers:** Consumerism empowers individuals by providing them with the knowledge, tools, and resources to make informed decisions in the marketplace. By promoting consumer education initiatives and raising awareness about consumer rights and responsibilities, consumerism helps individuals navigate complex purchasing decisions and assert their interests effectively.

5. **Fostering Competition and Innovation:** Consumerism encourages competition among businesses by promoting consumer choice and market diversity. By advocating for fair competition and antitrust regulations, consumerism prevents monopolistic practices and promotes innovation, efficiency, and affordability in the marketplace.
6. **Addressing Market Failures:** Consumerism addresses market failures and externalities that may harm consumers or society at large. By advocating for government intervention, consumer protections, and corrective measures, consumerism helps mitigate the negative impacts of market distortions, such as pollution, exploitation, and inequality.
7. **Promoting Sustainable Consumption:** Consumerism advocates for sustainable consumption practices that minimize environmental impact, conserve resources, and promote social responsibility. By encouraging ethical purchasing decisions, support for eco-friendly products, and responsible consumer behavior, consumerism contributes to the long-term well-being of the planet and future generations.

Let's Sum Up

In essence, consumerism shapes societal values, **empowerment of consumers, product safety and quality, consumer advocacy and education, ethical consumption**, economic policies, and individual behaviors by promoting the continual acquisition and consumption of goods and services as a fundamental aspect of modern life. Consumerism serves as a vital mechanism for protecting consumer rights, promoting fair competition, **ensuring product safety and quality** enhancing product quality, empowering individuals, fostering environmental and social responsibility, **promoting sustainable consumption** driving economic growth, and influencing policy decisions that benefit consumers and society as a whole.

CheckYourProgress-Quiz-2

1. The goods which can be used alternatively to each other are known as

- a. Complimentary goods
- b. Substitute goods
- c. Related goods
- d. None of the above

2. Multiple factors influence an individual's needs wants and behavior. ____ is one of the most basic influences.

- a. Culture
- b. Brand
- c. Price
- d. Celebrity

3. _____ is one of the most basic influences on an individual's needs, wants, and behaviour.

- a. Brand
- b. Culture
- c. Product
- d. Price

4. _____ develop on the basis of wealth, skills and power.

- a. Economical classes
- b. Purchasing communities
- c. Competitors
- d. Social classes

5. _____ are based on such things as geographic areas, religions, nationalities, ethnic groups, and age.

- a. Multilingual needs
- b. Cultures
- c. Subcultures
- d. Product adaptation requirements

1.3 Unit Summary

Dear learners, in this first unit, we have seen that key points about consumer and customer, consumer movements, historical perspectives, pre-independence era, post-independence era, role of NGOS and consumer organizations, digital consumerism, the concept of consumerism understanding the distinction between consumers and customers, concept of consumerism, empowerment of consumers, product safety and quality, transparency and accountability, consumer advocacy and education, ethical consumption, critiques and debates, **need and importance of consumerism**, protection of consumer rights, ensuring product safety and quality, promoting transparency and accountability, empowering consumers,

fostering competition and innovation, addressing market failures, promoting sustainable consumption, the evolution of consumer movements, and the principles of consumerism helps us grasp how consumer rights have developed and why they are crucial in modern economies.

1.4 Glossary

Consumer	A consumer is a person who purchases goods or services for personal use and consumption. In business and economic contexts, the term "consumer" typically refers to the end-user of a product or service
Customer	A customer is someone who buys goods or services from a business. The term "customer" emphasizes the relationship between the buyer and the seller, where the customer pays for goods or services offered by a business entity
Consumerism	Consumerism refers to the social and economic ideology that encourages the acquisition of goods and services in ever-increasing amounts. It also refers to the movement advocating for consumers' rights and interests
Consumer Movements	These are organized efforts by consumers to seek protection or promote their rights in the marketplace. Consumer movements often arise in response to perceived injustices, such as unfair business practices, unsafe products, or deceptive advertising.

1.5 Self–Assessment

1. Explain the meaning of consumer & customer.
2. Define consumer & customer
3. Explain the consumer movements in India
4. What are the concepts of consumerism?
5. Explain the need and importance of consumerism.

1.6 Case Study

In the early 1990s, there was growing concern over the use of pesticides, artificial fertilizers, and genetically modified organisms (GMOs) in agriculture. Many consumers became wary of the potential health risks associated with conventionally produced food. Simultaneously, the environmental impact of industrial farming practices became a significant issue. In response, the organic food movement began to gain momentum, advocating for more natural, eco-friendly farming methods.

The movement was initially a grassroots effort but quickly grew as consumer demand for healthier, pesticide-free food increased. By the early 2000s, supermarkets and major food retailers began stocking organic produce. Today, organic food is a multi-billion-dollar industry, regulated by standards in many countries, including USDA Organic in the United States and the European Union's organic certification.

Question 1 What factors led to the rise of the organic food movement?

2. How does consumer demand influence business practices in the organic food market?
3. What role did consumer awareness play in the success of the organic movement?

1.7 Answers for check your progress

Section1.1	Concept of Consumer and Customer
1.	c. Delighted
2.	c. Buyer
3.	a. Quality oriented style
4.	b. Microeconomics.
5.	b. Need
Section1.2	Historical Perspectives
1.	b. Substitute goods.
2.	a. Culture
3.	b. Culture.
4.	d. Social classes.
5.	c. Subcultures

1.8 Reference & Suggested Readings

- Michael R. Solomon , “Consumer Behavior: Buying, Having, and Being” , 12th Edition (2020),
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UNIT II- Consumer Exploitation

Meaning and Causes of Consumer Exploitation – Forms of Consumer – Exploitation – Underweight Measures, High Prices, Substandard Quality, Poor or Inadequate After Sales Services – Challenges of Consumer.

CONSUMER EXPLOITATION

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Unit Objectives

The objectives is a detailed overview of the meaning and causes of consumer exploitation, its various forms, and the specific issues such as underweight measures, high prices, substandard quality, and poor or inadequate after-sales services.

Section 2.1 Consumer Exploitation



Consumer Exploitation – Slide share

If someone has the right then they should have the remedies too because there are many people who may cheat or deceive other people. When a person has to buy a product or avail of the services, then he or she needs to be very careful. 'Caveat Emptor' means let the buyer beware. There are different ways to exploit people like convincing the consumers, building trust, showing the fake products as real, charging high prices, etc.

The Consumer Protection Act, 1986 is formulated for the consumers and the law protects the consumers from swindlers. Rights, duties, and responsibilities are to be performed by all the people to stop the swindlers from committing fraud again in the future. Both parties have responsibilities to fulfil.

2.1.1 Meaning of Consumer Exploitation

When a consumer who has been deceived in any way (like fraud, coercion, undue influence, and misrepresentation or fake information) or by any person is said to be exploited.

2.1.2 Causes of Consumer Exploitation

1. Lack of awareness of consumer rights among buyers.
2. Improper and inadequate monitoring of rules and regulations.
3. Individual purchase quantity is quite small.
4. Consumers are scattered over large areas.
5. Lack of awareness among consumers.
6. Greed of businessperson.
7. Lax enforcement of rules.
8. Slow and time taking process of consumer grievance redressal.

2.1.3 List of Forms of Consumer Exploitation

Therefore, there is a Latin term “*Caveat Emptor*” which means “Let the buyer be aware”. When a person has to buy something or avail of the services, then he or she needs to be very careful. Otherwise, people exploit the consumer in many different ways. However, there are different ways to the exploitation of consumers like convincing consumers, building trust, showing fake products as real, charging high prices etc.

Forms of consumer exploitation list have been discussed in this article. Here, we have provided some different types of consumer exploitation listed below;

1. Fake Advertisement/Misleading
2. Law Literacy
3. Lack of Bargaining Power
4. Limited Information
5. Limited Supplies
6. Low Competition
7. Irregular Prices Offered
8. Lack of Unity
9. Cumbersome and time taking legal proceedings

1. Fake Advertisement/Misleading

Whenever a product or service shown and disclosed through advertisement is not true and involves false and wrong information about the product or service. The quality of the product and its durability is not always perfect and long-lasting. Showing fake information in the advertisement about the product and service is shown only to attract the customers/consumers and compel the people to buy it. Non- disclosure of reality is a disadvantage.

2. Substandard product

Every business aims to earn profit and increase their business and to gain profit, they will tend to sell low-quality products which may cause harm in future because of low quality and low-standard products. But, providing or selling low-quality products to gain high revenue are also unethical.

3. High price

Some sellers have a monopoly on increasing the prices of their products and services. Some sellers have the control in the market to change and increase the price of the goods and services, and due to their monopoly in the market, the consumer and buyers have no choice but to purchase it at a high price.

4. Adulteration

Adulteration of goods is the worst form of consumer exploitation. Because of the adulteration or mixing of some materials or chemicals in the goods or foods not only causes monetary loss to the buyer/consumer but it will affect the health of the buyer/consumer.

When the sellers mixed unwanted materials or chemicals in the goods or foods will affect the health of the buyer and harms the body which may result in different types of diseases for the buyer/consumer for example omitting, food poisoning etc.,

5. Under Measurement

The sellers will exploit the buyer/consumer by misleading and providing false information printed on the packet which is not accurate that misleading the buyer. The sellers will mislead the consumer by providing false information on the packet with not accurate quantity or not proper price tag etc that will exploit the consumer while buying such products.

6. Black Marketing

Black marketing is another way to exploit the consumer. When there is high demand for a certain good or service the sellers start stocking the goods and the seller will pretend that there is a scarcity of the goods or services due to which the price of the product or services will be increased and due to shortage of the products the people will buy the product or good even the price of that good or service is hiked than the regular price.

Black marketing is a weapon in the hand of the seller to stock the goods that the people need and when the need for the goods increases, the sellers will sell the goods at a high price than the regular price of it. Black marketing mostly happens with the essential and needy commodities of the people.

7. Duplicate goods

There are sellers which manufacture low-quality goods and tag them with the name of branded goods. For example, 'Adidas' is a famous brand of shoes and the seller manufactures low-quality shoes which look similar to branded shoes and tags a name like 'Abidas'. This is the misrepresentation of goods. Selling duplicate and low-quality goods in the name of the branded good is an unethical practice in the business and that is a method of exploit the buyer/consumer.

8 Lack of after Sale Service

It is the core duty of the seller towards the consumer to provide after- sale service. Manufacturing and selling of the product is not the only activity that is performed if any consumer faces any kind of problem after using the goods or services then it is the responsibility of the seller that the problems must be heard and shall be solved. That is the after-sale service.

9. Lack of information

Every product and service contains information printed on it. The information printed on goods or services like ingredients used, manufacturing date, harm and the consequences of the product etc., it is mandatory for the manufacture of the goods that the information about the product should be disclosed to the consumers/buyers otherwise they might face problems that will leave a negative impact on the market.

2.1.4 Reasons for Consumer Exploitation

1. Illiteracy and ignore

Consumers in India are mostly illiterate and ignorant. They do not understand that rights. A system is required to protect them unscrupulous businessmen.

2. Unorganized 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.

3. Spurious goods

There is an 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.

4. Deceptive adverting

Many advertisements make false promises, are highly exaggerated and give incomplete descriptions of products. Consumers are misled by false advertisements and do not know the real quality of advertised goods.

5. Malpractice of Businessmen

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

Let's Sum Up

Consumer exploitation arises from a variety of factors, including information asymmetry, lack of consumer awareness, weak regulatory frameworks, and monopolistic markets. Other contributing factors are complex products, aggressive sales tactics, cultural and economic conditions, technological advancements, inadequate consumer representation, profit motives, limited access to justice, and socio-economic disparities. Addressing these issues requires comprehensive consumer education, stronger regulations, effective enforcement, and robust consumer advocacy.

CheckYourProgress –Quiz–1

1. **What was the main drawback for the consumer?**
 - a. High rates of final products
 - b. No legal system available to consumers to protect them
 - c. Low-quality products
 - d. The exploitation of the consumer
2. **Why did the consumer movement arise?**
 - a. High rates of products
 - b. Total false claims
 - c. The dissatisfaction of the consumers as many unfair practices were being indulged in by the sellers
 - d. None of the above

3. **When did the consumer movement take birth in an organised form in India?**
 - a. The 1960s
 - b. The 1970s
 - c. The 1950s
 - d. The 1980s
4. **Till the 1970s, consumer organisations were largely engaged in**
 - a. Low profile activities
 - b. Violent protests
 - c. Writing articles and holding exhibitions.
 - d. Legal justice
5. **What is one of the main duties of the producer?**
 - a. To avail low prices
 - b. Need to strictly follow the required safety rules and regulations
 - c. To produce high-quality goods
 - d. Not to charge taxes

Section 2.2 Consumer Problems and Challenges

2.2.1 Problems of Indian Consumers

Indian consumers face several unique problems requiring more involvement and support from the Government and the consumer organizations to protect their rights. Some are given below:

Consumerism is still in its infancy and not well organized. Majority of Indian consumers are not consciously aware of their rights.

1. Shortage of essential commodities occurs very often in India. Such imbalances lead to hoarding and black – marketing, profiteering and corruptions.
2. Many consumers are ignorant and uneducated and in such situations, the marketer exploits the consumer. There are many cases in India.
3. Producer advertises their products, not with a view to serve the public, but with a view to dispose of their dead products at a good profit.
4. Consumers become easy victims, in the absence of information, and buy sub-standard and defective products.

5. The court procedure in India is a time consuming and tiresome process. Thus, consumers avoid legal actions. People are unwaring of the simple procedures under the Consumer Production Act.
6. Supplier, and not the consumer, becomes the king in the market etc.
7. Consumer had to depend on the condition of the market. Market conditions are changing constantly with respect to economic change and change in the marketing policy systems. New commodities are introduced in the market every day. Basic knowledge and information is not available about the commodities.
8. Consumers are unable to decide which product is more suitable to meet, their requirements.
9. All goods and commodities available in the market are not standardized .consumers is not sure of the quality of the product for which they are spending their money.
10. A single product may be available in various brands, trade mark, quality and grade and it become difficult for the consumer to make the right choice.

Let's SumUp

Dear Learners, to sum up, in this unit, Consumers face a wide range of problems and challenges, including product quality issues, misleading advertising, hidden costs, lack of transparency, and inadequate customer service. Other significant challenges include safety concerns, limited product choices, privacy and data security issues, financial exploitation, complexity of products, warranty problems, scams, legal challenges, environmental concerns, and accessibility issues. Addressing these challenges requires robust consumer protection laws, better enforcement, increased transparency, and consumer education to ensure fair treatment and informed decision-making.

CheckYourProgress–Quiz–2

1. The consumer movement in India has led to the formation of various organisations, locally known.....?
 - a. Consumer forums
 - b. Consumer protection council's
 - c. Consumer courts
 - d. A & B
2. Consumers have the against unfair trade practices and exploitation?
 - a. Right to information
 - b. Right to seek redressal
 - c. Right to justice
 - d. Right to return the product
3. RTI (Right to Information) Act, which.....
 - a. Leads to consumer court
 - b. Ensures the safety of consumers
 - c. ensures its citizens all the information about the functions of government departments.
 - d. Ensures Developed standards for goods and services
4. Which product usually has written on it – ‘directions for proper use’ ?
 - a. LPG cylinder
 - b. Pressure cooker
 - c. Medicines
 - d. Cooking oil
5. Why is it that rules have been made so that the manufacturer displays information?
 - a. Consumers need to know
 - b. For the convenience of the consumer
 - c. To protect the producer
 - d. Consumers have the right to be informed

2.3 UnitSummary

Consumer exploitation is a significant issue stemming from information asymmetry, lack of awareness, weak regulatory frameworks, and aggressive business practices. Forms of exploitation include underweight measures, high prices, substandard quality, and poor after-sales services. Challenges in addressing

consumer exploitation include identifying exploitative practices, enforcing rights, economic vulnerability, technological changes, global market dynamics, consumer apathy, and inadequate redress mechanisms. To protect consumers, robust laws, effective enforcement, consumer education, and strong advocacy are essential.

2.4 Glossary

Consumer Exploitation	The unfair or unethical treatment of consumers by businesses, resulting in financial loss, reduced product quality, or violation of consumer rights.
Information Asymmetry	A situation where businesses have more or better information than consumers, making it difficult for consumers to make informed choices.
Underweight Measures:	Providing less product than advertised or stated, deceiving consumers about the actual quantity.

2.5 Self–Assessment

1. What is the meaning of Exploitation?
2. What are the forms of consumer exploitation?
3. What are the consumer problems and challenges?

2.6 Case Study

Samantha recently purchased a new Smartphone from a local electronics store. The phone was advertised as having a 6-month warranty and the latest features. Within two weeks of use, she experienced issues such as frequent overheating, battery drain, and screen glitches. When she returned to the store to get it repaired, the customer service representatives gave her conflicting information and refused to honor the warranty, claiming it did not cover the specific issues. Additionally, Samantha discovered that she had been charged more than the market price for the phone.

Question 1 What forms of consumer exploitation did Samantha experience?

Samantha recently purchased a new Smartphone from a local electronics store. The phone was advertised as having a 6-month warranty and the latest features. Within two weeks of use, she experienced issues such as frequent overheating, battery drain, and screen glitches. When she returned to the store to get it repaired, the customer service representatives gave her conflicting information and refused to honor the warranty, claiming it did not cover the specific issues. Additionally, Samantha discovered that she had been charged more than the market price for the phone.

Question1 What role does the company's customer service play in this case of exploitation?

2.7 Answers for check Your Progress

Section 2.1	Consumer Exploitation
1.	b. No legal system available to consumers to protect them.
2.	c. The dissatisfaction of the consumers as many unfair practices were being indulged in by the sellers.
3.	a. The 1960s.
4.	c. Writing articles and holding exhibitions.
5.	b. Need to strictly follow the required safety rules and regulations.
Section2.2	Consumer Problems and Challenges
1.	d. A & B.
2.	b. Right to seek redressal.
3.	c. Ensures its citizens all the information about the functions of government departments.
4.	c. Medicines
5.	d. Consumers have the right to be informed

2.8 Reference and Suggested Readings

- ❖ Premavathy and Mohini Sethi, Consumerism- Strategies and Tactics, CBS Publication.
- ❖ Prof Kavita Sharma, Dr Swati Aggarwal, Principles of Marketing Book, Taxmann recent edition in 2023.
- ❖ Dr.J.Jayasankar, Marketing Management, Margham Publications, Chennai. Latest edition 2023.

UNIT-III Consumer Rights and Duties

Consumer Rights- John F Kennedy's Consumer Bill of Rights- Types of Consumer Rights- Rights to Safety- Right to Information (RTI), Right to Redressal, Right to Consumer Education – Duties of Consumers.

CONSUMER RIGHTS A AND DUTIES

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Unit Objectives

The unit objectives for a study or curriculum on this topic are Consumer Rights, consumer duties. By focusing on these objectives, learners can gain a comprehensive understanding of consumer rights and responsibilities, empowering them to make informed decisions and advocate for their rights in the marketplace.

Section 3.1 Consumer Rights and Duties



<https://support.google.com/legal/answer/3463239?hl=en>

Every country provides a set of consumer rights to ensure maximum protection for its citizens. Consumer rights allow customers to have the required information about goods and services while purchasing them. Even though manufacturers, traders, sellers and businessmen know their responsibilities towards society, they could exploit the consumers through fraud, unfair practice, etc. Consumer rights protect consumers against such unfair practices and enable them to enforce these rights. In India, the government provides consumer rights under the consumer protection act, 2019 to protect their interests.

3.1.1 Consumer Bill of Rights

President John F. Kennedy introduced the “Consumer Bill of Rights” in 1962. Every consumer has four fundamental rights: the right to safety, the right to choose, the right to be heard, and the right to be informed. Four additional rights were later added: the right to redress, the right to consumer education, the right to service, and the right to a healthy and sustainable environment.

Here is a list of the Consumer Bill of Rights and their definitions.

- ✓ The **right to safety** refers to the right to be protected from the marketing and sale of products hazardous to human life and property. Consumers expect purchased items to be safe when used correctly or as directed.
- ✓ The **right to choose** is a consumer's right to have access to a variety of products and services at fair and competitive prices. In cases where there is a lack of competition, consumers still have a right to quality products and services at fair prices.
- ✓ The **right to be heard** is the right to have interests and complaints heard and considered. Consumers have the right to let businesses know if they are unhappy with products and services. These complaints are usually made in customer service departments. This right also ensures consumers that government officials will consider consumer concerns and issues when making public policies.
- ✓ The **right to be informed** means that consumers are to be provided with adequate, reliable, and sufficient information about products or services to make informed decisions. Businesses are required by law to provide certain information to consumers regarding their products and services. The purpose of this right is to protect consumers from false and misleading claims or information in advertising, labeling, or marketing practices.
- ✓ The **right to redress** is the right to have problems resolved. It refers to the right to seek justice against exploitation or unfair practices. Consumers have the right to return a defective item or complain about poor service. They also have a right to get their money back, to have the product replaced or a do-over of the service provided, or to have the product repaired. It is a consumer's right to seek a fair resolution to grievances. If a business does not correct the problem, contact the manufacturer. If they do not correct the problem, contact a government agency, such as the Alabama Attorney General's Office, or consumer protection offices, including the Alabama Securities Commission or the Alabama Department of Insurance
- ✓ The **right to consumer education** refers to having access to education that will provide the knowledge and skills needed to make informed consumer decisions. For example, consumers have the right to use the information provided on labels to compare prices and quality.
- ✓ The **right to service** is the right to be treated in a respectful and courteous manner. Consumers have the right to expect prompt and non-discriminatory service.

- ✓ The **right to a healthy and sustainable environment** is the right to live in a non-threatening, safe, and healthy environment that promotes the well-being of present and future generations. Consumers have the right to live and work in an environment protected from pollution (air, water, land, noise, etc.).

Government and non-governmental organizations have made significant progress in protecting consumers by developing laws that give consumers specific rights. As with any right, however, it isn't worth much if it is not desired, exercised, and protected.

3.1.2 Types of Consumer Rights

The Consumer Protection Act provides six consumer rights to people which are as follows:

3.1.3 Right to be Protected

The right to be protected protects consumers against marketing products, goods or services that are hazardous to property and life. A manufacturing defect in the goods like electrical appliances, gas cylinders, etc., cause harm/loss to the consumer's health, life and property. The right to be protected gives consumers the right to insist on the goods guarantee and quality before purchasing. They should buy an AGMARK or ISI approved good or product.

3.1.4. Right to be Informed

The right to be informed provides that the customers must be informed about the quantity, quality, standard, purity, potency and price of products, goods or services to protect the consumers against unfair trade practices. Sellers or manufacturers should provide all the required product details to the buyers or consumers so they can act wisely while purchasing goods. The manufacturers must give all the relevant information on the label and package of the product.

3.1.5 Right to Choose

The right to choose gives consumers the right to access various products, goods or services at competitive prices. A competitive price means a fair price. The sellers, retailers or traders cannot force consumers to purchase the goods of a specific brand. The consumers can choose the brand they find suitable from their point of view. The right to choose assures that good quality and services are given to consumers at reasonable prices in case of a monopoly. It also includes the rights to basic services and goods.

3.1.6 Right to be Heard

The right to be heard assures the consumer's interests will be heard and considered at the appropriate forum. The consumers will have adequate means to raise their issues in the relevant forum, and their interests will be considered. Consumers can file a complaint in case of unfair trade practices by the seller in appropriate forums. The appropriate forums will give them fair chances to the consumers to state their grievances. They may take the help of consumer organisations set up to protect consumers to enforcing this right.

3.1.7 Right to Redressal

Consumers have the right to seek redressal against restrictive trade practices, unfair trade practices or unscrupulous exploitation of consumers. It also includes the right to a fair resolution of a consumer's grievances. Consumers can file a complaint when they have legitimate grievances. They can also seek redressal of their problems with the support of various consumer organisations. The compensation can be money, repair of defective goods or replacement of goods according to the issue of the consumer.

3.1.8 Right to Consumer Education

The right to consumer education means consumers should be aware of their rights to avoid exploitation. Under this right, the consumer has the right to acquire the required skills and knowledge to be informed consumer. When consumers know their rights, existing acts and agencies set up for their protection, they can take action. The government has also introduced consumer education to the school curriculum and university courses.

Let's sumup

In this topic, learners will will acquire the knowledge and skills necessary to engage as informed and responsible consumers, capable of advocating for their rights while fulfilling their duties in the marketplace and to gain a comprehensive understanding of consumer rights and their importance in consumer protection, analyze the significance of John F. Kennedy's Consumer Bill of Rights in shaping consumer protection policies, identify and differentiate between different types of consumer rights and their implications for consumer welfare, evaluate the duties and responsibilities consumers have in exercising their rights effectively and ethically, to develop critical thinking skills to navigate consumer transactions and advocate for consumer rights in various contexts.

Check Your Progress–Quiz–1

1. The Consumer Rights Act 2015 applies to what type of contracts?

- a. All contracts for the sale of goods
- b. Business to Business contracts and contracts between private persons for goods that can be consumed.
- c. Contracts made between a trader and a consumer for the supply of goods, services and digital content.
- d. Only contracts made over the internet

2. Under the Consumer Rights Act 2015 goods supplied must be of satisfactory quality except:

- a. When they are in a sale
- b. When they are second- hand.
- c. When the defect is drawn to the attention of the buyer.
- d. When they are purchased via the internet.

3. Which Consumers Right is not guaranteed under Consumer Protection Act, 2019?

- a. Right to Choose
- b. Right to Exploitation
- c. Right to be heard
- d. Right to seek redressal

4. Who can make a complaint under this Act?

- a. Consumer
- b. 3rd Person
- c. Alien
- d. None of the above

5. Who heads the Central Authority's, Investigation Wing?

- a. Police Officer
- b. Magistrate
- c. Director-General
- d. None of the above

Section 3.2 Consumer Responsibilities

Consumers have responsibilities towards other consumers and society members and help them fight against unfair practices and create awareness regarding consumer rights. Government and non-government organisations have made various efforts to protect the interest of consumers. These efforts will be helpful and can stop the exploitation of consumers only when they understand their responsibilities and take actions to safeguard their interests.

3.2.1 Meaning of Consumer Responsibilities

A responsible consumer is one who ensures value for the money spent on the purchase of goods or services and marks the other fellow consumers aware of their rights and responsibilities. A responsible consumer's actions or choices do not affect the rights and responsibilities of the other fellow consumers. In other words, any responsible consumer must not act in a selfish manner for getting short term pleasure or profit.

3.2.2 Responsibilities of a Consumer

- **Responsibility to be aware**

Consumers must be mindful of the safety and quality of products and services before purchasing them. They should not trust the seller blindly and must get the information on the price, quality, standard, etc., of the product.

- **Responsibility to think Independently**

Consumers should know what they want and need. They must make wise choices and not settle on the quality or standard of a product or service. They need to make independent choices and refrain from buying products under the influence of the sellers.

- **Responsibility to Complain**

Consumers should take responsibility for filing complaints against sellers or manufacturers when they are unsatisfied with the goods or services. Consumers rights can only be enforced when consumers take responsibility and exercise them.

- **Responsibility to Speak Out**

Consumers should express their grievances and file complaints against contaminated or substandard products even when the loss is small. When consumers do not speak out against the loss they suffered and do not file a complaint, it encourages businessmen to practise unfair trade practices and supply defective goods.

- **Responsibility to be an Ethical Consumer**

Consumers must be ethical and fair and not file fraud complaints against dealers or manufacturers for personal reasons. They should not engage themselves in deceptive practices. They should discourage any illegal trade, hoarding, black marketing, etc.

- **Responsibility to be Quality Conscious**

The problems of duplicate, adulterated and substandard products can be resolved when consumers stop compromising on the quality of goods. Thus, consumers should be aware of a product's quality and look for products with AGMARK, ISI mark, etc.

3.2.3 Importance of Consumer Rights and Responsibilities

Everything that we own today is a result of us being a consumer who purchases certain commodities. This is why we must all be aware of our consumer rights as well as consumer responsibilities. We all have to go to the market and be a consumer at least once in a while, and it is vital to know the meaning of consumer rights to help us realise if we are ever being exploited by a seller.

Consumers must know their rights and what they are protected from. Following are some facts which you might not know about your right –

- A consumer can choose a product and have the full right to negotiate the price.
- A consumer can rightfully demand a healthy environment.
- Consumers can file a complaint from literally anywhere.
- The consumers can seek a hearing via video conferencing as well.
- Also, the consumer can know why his/her complaint was rejected.

3.2.4 Consumer Rights As Per Consumer Protection Act 1986

Consumer Protection Act provides Consumer Rights to prevent consumers from fraud or specified unfair practices. These rights ensure that consumers can make better choices in the marketplace and get help with complaints.

Importance from Consumer Point of View:

- **To shape Consumers-** Indian customers are not well-organised, and vendors exploit them easily.
- **Imparts 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 organisation follows 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 do not know about their rights. The Consumer Protect Act educates them and secures their rights and interests.

II. Importance from Business Point of View

- **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 customers 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 provides products accordingly.

- **Social Responsibility:** Business has 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 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 this 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.

Let's sumup

The Consumer Protection Act, 1986, provides a comprehensive framework to protect consumer rights in India. It empowers consumers to make informed choices, ensures their safety, offers mechanisms for grievance redressal, and promotes consumer education. Understanding and exercising these rights can help consumers protect themselves against exploitation and ensure fair treatment in the marketplace.

CheckYourProgress–Quiz 2

1. How much change in the amount to be deposited for filing an appeal?

- A.10%
- B.25%
- C.30%

D.50%

2. Who elects Chief Commissioner and other Commissioner?

- A. State Government
- B. President
- C. Central Government

D. Prime Minister

3. Till the 1970s, consumer organisations were largely engaged in

- A. Holding exhibitions
- B. Organising elections
- C. Protests
- D. Both a and c

4. If a product or service is defective a consumer can

- A. sue the manufacturer
- B. Ask for compensation or replacement
- C. Return the product and go home
- D. Both a and c

5. The consumer protection act, 1986 provides the consumer the right to _____ a service

- A. Protest
- B. Complain
- C. Choose
- D. All of these

3.4 Unit summary

Understanding consumer rights and responsibilities is crucial for navigating the marketplace effectively. The principles outlined by John F. Kennedy's Consumer Bill of Rights and the expanded rights under various consumer protection laws ensure consumers are protected and empowered. Balancing these rights with their corresponding responsibilities fosters a fair, safe, and efficient market environment. By being informed and proactive, consumers can protect themselves and contribute to a more ethical and sustainable economy.

3.5 Glossary

Consumer Rights	A landmark declaration made by President John F. Kennedy in 1962, identifying four fundamental rights that consumers should be entitled to.
Right to Safety	Ensures protection against products, production processes, and services that are dangerous to health or life.
Right to Redressal	Ensures that consumers can seek compensation for unsatisfactory goods or services and fair settlement of genuine grievances.

3.6 Self–Assessment

1. What are the meanings of consumer rights?
2. Give the meaning of Consumer Duties.
3. What are the consumer responsibilities?
4. What are the types of Consumer Rights?
5. Explain Consumer Responsibilities.

3.7 Activities/ Assignment

Describe the historical context and significance of John F. Kennedy's Consumer Bill of Rights.

Explain each of the four original rights outlined in Kennedy's Consumer Bill of Rights

Identify and discuss the key duties of consumers in ensuring a fair marketplace.

3.8 Answers for Check your Progress

Section3.1	Consumer Rights and Duties
1	C. Contracts made between a trader and a consumer for the supply of goods, services and digital content
2	C. When the defect is drawn to the attention of the buyer
3	b. Right to Exploitation.
4	a. Consumer.
5	c. Director-General
Section3.2	Consumer Responsibilities
1	a.10%
2	c. Central Government.
3	a. Holding exhibitions.
4	b. Ask for compensation or replacement.
5	d.All of these.

3.9. Reference and Suggested Readings

- ❖ Premavathy and Mohini Sethi, Consumerism- Strategies and Tactics, CBS Publication.
- ❖ Prof Kavita Sharma, Dr Swati Aggarwal, Principles of Marketing Book, Taxmann recent edition in 2023.
- ❖ Dr.J.Jayasankar, Marketing Management, Margham Publications, Chennai. Latest edition 2023

UNIT-IV CONSUMERISM IN INDIA

Reasons for the Growth of Consumerism in India- Recent Trends in Consumerism- Problems Faced by Consumerism in India.

CONSUMERISM IN INDIA

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UNIT OBJECTIVES

The objective is to gain a comprehensive understanding of consumerism in India, its growth, current trends, challenges, and the role consumers play in shaping the market.

Section 4 1 Consumerism in India

4.1. Consumerism in India - An Introduction

Consumerism is a social force to make business more honest and responsible towards consumers. Consumerism is also a term used to make consumers aware about their rights, and demands the government to adopt necessary measures in order to protect consumer interest.

4.1.1 Consumerism in India

In India, consumerism has been active for some time now. The major causes of consumerism in India have been identified as rising prices, poor product performance and service quality, product shortages and deceptive advertising and inflation. Government has been very responsive to consumer needs through legislative action. Thus it has become necessary for the consumers to stand up for their rights in order to get their grievances redressed.

4.1.2 Origin of Consumerism

The majority of consumers in advanced countries are well educated, well informed and are in a position to protect themselves. Also, in these countries adequate production and proper distribution of products exist. But the situation in India is different from the Western world. In India, industries have not achieved that level of adequate production and proper distribution and the existing markets run in shortages, adulteration and black marketing. Also, the Indian people have less money at their disposal.

The profit-making attitude of the business owners led to a failure in discharging their social responsibilities i.e. maintaining fair price, providing good quality of goods and services etc. In short, consumerism is an outcome of sufferings and exploitation of consumers, and some businessmen aim to make abnormal profit, which is at the cost of consumers' safety and health. Although it is generally agreed that "a consumer is the king of the Market" but in reality he is not. The majority of problems relating to consumers in India are adulteration, artificial scarcity, and unreasonable prices.

4.1.3 Evolution of Consumerism

Evolution of Consumerism: The idea of 'consumerism' was first conceived in the United States of America around the beginning of the twentieth century. If we delve into history its evolution can be studied in three distinct phases, which is as follows:

1. Around 1900

The business firms dealing in meat packing were least concerned of their consumers. Meat used to be sold in a very unhealthy and unhygienic manner. This affected the health of consumers. At times, many of the firms used to produce dangerous and unwanted products and drugs and sell them to the consumers by adopting manipulative practices. Conscious and sensible consumers were unhappy with this state of affairs and started a campaign to protect the interests of the consuming public.

2. Around 1930

Consumerism assumed importance because people in general became more enlightened and concerned about the standards of good quality products. This was the result of education, awareness, knowledge and political consciousness. Although consumerism did not become a serious public movement during this time, the Government came up with legislation in USA called Miller-Tiching Act, 1936 in order to regulate certain marketing mal-practices.

3. 1960's

It was in the sixties of the twentieth century that consumerism became a very forceful social movement. Late President John F. Kennedy, in the year 1962, passed a legislation to protect the rights of consumers, particularly with regard to false advertising and unhealthy packaging of food and other articles. The consumer movement reached its peak when a serious criticism was leveled against the 'safety' of automobile companies which caused death of many people.

In his 1962 speech to Congress, President John F. Kennedy outlined four basic consumer rights i.e. the right to safety, the right to be informed, the right to choose, and the right to be heard, which later became known as the Consumer Bill of Rights. In 1985, the United Nations endorsed Kennedy's Consumer Bill of Rights and expanded it to cover eight consumer rights and added four more rights to protect consumers: the right to satisfaction of basic needs, the right to redress, the right to consumer education, and the right to a healthy environment. Thereafter Consumers International adopted these rights as a charter and started recognising March 15 as World Consumer Rights Day.

This led to the Government passing legislations firstly on product safety which compelled automobile companies to adopt safety methods, and secondly also passed other legislations to control pollution. Companies and firms doing business at first criticised the concept of consumerism stating that they had been taking due care with regard to product quality. But later; they started setting up consumer affairs departments to deal with consumer disputes and allegations.

4.1.4 Reasons for Consumerism in India

Reasons for Consumerism: The major causes for the evolution of consumerism have been identified as:

- 1. Rising Prices:** Prices of goods are rising almost daily. The tendency of profiteering and hoarding has increased among the traders and businessmen. This affects consumers.
- 2. Adulteration, duplication and sub-standard products:** Unscrupulous traders indulge in adulteration. They make illegitimate and abnormal profit through adulterated products. Duplicates are made for all types of products like automobile components, medicines, blades, pens, watches, clothes and even currency notes. Substandard products are made using inferior raw materials or by cutting short the required production processes thus compromising on quality affecting consumers.
- 3. Misleading advertisement:** Misrepresentation of facts, false claims, and cheating occurs while advertising product or service. An advertiser may make a false claim about the usefulness of his product, to lure the consumers to buy them, while the product itself may not be as useful or of inferior quality. Hence, consumers should be protected against deceptive advertisements.
- 4. After sales service and warranty terms:** At the time of sale, the seller gives assurance of good performance of the product. If the product becomes defective, the buyer is not provided any remedy for the defects.

- 5. Safety and fitness of product:** Fitness means that the product quality, durability and suitability of the product is as per the purchase objective of the consumer and is not hazardous or unsafe safe for human consumption. The salesman should assist the buyer in making a useful selection of the product but goods are sold with the prime objective of making a profit, the fitness and safety part is often ignored.
- 6. Consumer Exploitation:** Consumer is exploited in numerous ways such as selling substandard products, false advertisement, hoarding & black marketing, adulteration, cheating through contests and prizes etc.

Consumerism is the protection of the interests of the buyers of goods and services against defective goods, and in this deal, the consumer is the focal point of the market. Consumers' satisfaction not only benefits business, but also benefits government and society at large. So, it is a collective understanding on the part of consumers, business and government to enhance customers' satisfaction and social welfare which will benefit all of them.

Consumerism is the economic and social ideology which seeks redress or remedy for dissatisfaction that has arisen while purchasing goods and services. It is a concerted effort of individuals, groups and government to protect consumers from the business practices that infringe consumer rights.

Let's SumUp

Consumerism in India has seen significant changes over the past few decades, driven by economic growth, globalization, and evolving consumer behaviors. Consumerism in India is a dynamic and evolving phenomenon shaped by economic, social, and technological factors. It presents both opportunities and challenges as the country continues to develop and integrate with the global economy. In summary, the rise of consumerism in India is a multifaceted phenomenon influenced by economic prosperity, technological advancements, changing social norms, and cultural shifts. These factors combined have created a robust consumer market with diverse and evolving demands.

CheckYourProgress–Quiz–1

1. MRP stands for

- A. Market retaining price
- B. Market Retail Price
- C. Minimum Return Price
- D. Maximum Retail Price

2. Right to information Act was Passed in

- A. October 2006
- B. October 2005
- C. June 2005
- D. June 2006

3. Consumer participate in the market when they

- A. Delivers goods and services
- B. Sells goods and service
- C. Buy goods and services
- D. Produces goods and services

4. What is adulteration?

- A. Mixing cheap materials
- B. Underweight measurement
- C. Hoarding of goods
- D. Selling defective items

5. Which of these is a cause for consumer exploitation?

- A. Illiteracy and ignorance
- B. Proper advertisement
- C. Right to information
- D. Right to safety

Section 4.2 Recent Trends in Consumerism in India

4.2.1. Recent Trends In Consumerism

In recent years, consumerism in India has seen several notable trends:

- 1. Shift towards Online Shopping:** With the increasing penetration of smartphones and internet connectivity, there has been a significant shift towards online shopping. E-commerce giants like Amazon, Flipkart, and Snapdeal have witnessed substantial growth. The convenience of shopping from home coupled with attractive deals and discounts has fuelled this trend.
- 2. Rise of Digital Payments:** Digital payment methods such as mobile wallets, UPI (Unified Payments Interface), and online banking have gained widespread acceptance. Initiatives like demonetization and the introduction of payment apps like Paytm, Google Pay, and PhonePe have contributed to the digitization of transactions, making shopping more convenient for consumers.
- 3. Demand for Personalized and Sustainable Products:** Consumers are increasingly seeking products that align with their values, including sustainability and ethical production practices. There's a growing demand for eco-friendly products, organic goods, and cruelty-free items. Brands that emphasize transparency in their supply chain and eco-consciousness are gaining popularity.
- 4. Rise of D2C Brands:** Direct-to-consumer (D2C) brands are emerging as strong competitors to traditional retail brands. These companies bypass intermediaries and sell directly to consumers, often leveraging social media and digital marketing for customer acquisition. D2C brands offer unique products, personalized experiences, and often better pricing by cutting out middlemen.
- 5. Growth in Health and Wellness Segment:** The health and wellness segment is experiencing robust growth as consumers become more health-conscious. This trend is reflected in the increased demand for organic food products, nutritional supplements, fitness equipment, and wellness services like yoga and meditation classes.
- 6. Expanding Middle Class:** India's expanding middle class with higher disposable incomes is driving consumption across various sectors. This demographic segment is more aspiration, seeking lifestyle upgrades, premium products, and experiences. As a

result, there's a surge in demand for luxury goods, international brands, and leisure activities.

- 7. Focus on Experiential Retail:** Retailers are increasingly focusing on providing immersive and experiential shopping experiences to attract consumers. This includes interactive store layouts, in-store events, product demonstrations, and augmented reality/virtual reality experiences. Brands understand the importance of creating memorable experiences to build customer loyalty.
- 8. Rise of Subscription Services:** Subscription-based models are gaining traction across various industries, including entertainment, beauty, food, and healthcare. Consumers are drawn to the convenience and cost-effectiveness of subscription services, which offer curated products or services delivered regularly to their doorstep.

These trends indicate a dynamic shift in consumer behavior and preferences in India, driven by technological advancements, changing lifestyles, and evolving socio-economic factors.

4.2.2. Problems Faced by Consumerism in India

Problems of Indian Consumers Indian consumers face several problems such as Consumerism is still in its infancy. Being the early years, it is not well organised. Majority of Indian consumers are not aware of their rights. Shortage of essential commodities occurs very often in India. Such imbalances lead to hoarding and black-marketing, profiteering and corruption. Many consumers are ignorant and uneducated and in such situations, the marketer exploits the consumer. There are many such cases in India.

Producers advertise their products, not with a view to serve the public, but with a view to dispose of their fake, outdated or obsolete products at a good profit. Consumers become easy victims and in the absence of information they buy sub-standard and defective products. The court procedure in India is time consuming and a tiresome process. Thus, consumers avoid legal action. The people are unaware of the simple procedures to seek redressal in sectors that have regulators, in addition to the Consumer Protection Act. Supplier, and not the consumer, becomes the king in the marketplace.

Consumers in India face several challenges, ranging from issues related to product quality and safety to concerns about fair pricing and access to essential services. Some of the prominent problems faced by consumers in India include:

- 1. Product Quality and Safety Concerns:** Consumers often encounter substandard or counterfeit products in the market, especially in sectors like electronics, pharmaceuticals, and FMCG (Fast Moving Consumer Goods). Lack of stringent quality control measures and enforcement of safety standards can compromise consumer safety and trust.
- 2. Misleading Advertising and Marketing Practices:** Many consumers fall victim to misleading advertising, deceptive labelling, and false claims made by companies. This can lead to dissatisfaction with products or services and erode consumer confidence. Regulators like the Advertising Standards Council of India (ASCI) attempt to address these issues, but enforcement can be challenging.
- 3. Unfair Pricing and Price Manipulation:** Price manipulation, including price gouging during times of high demand or artificial inflation of prices, is a common issue faced by consumers. This is particularly prevalent in sectors like healthcare, essential commodities, and during natural disasters. Consumers often struggle to access essential goods and services at fair prices.
- 4. Poor Customer Service and Redressal Mechanisms:** Inadequate customer service and a lack of effective grievance redressal mechanisms pose significant challenges for consumers. Many companies have inefficient customer support systems, making it difficult for consumers to seek assistance or resolve issues with products or services.
- 5. Digital Fraud and Cyber security Risks:** With the rapid digitization of transactions and the increasing use of online platforms for shopping and financial transactions, consumers are vulnerable to digital fraud and cyber security threats. Instances of phishing, identity theft, online scams, and data breaches can result in financial losses and privacy violations.
- 6. Limited Access to Essential Services:** Despite efforts to improve access to essential services such as healthcare, education, and sanitation, many consumers, especially those in rural and underserved areas, continue to face challenges in accessing these services. Infrastructure deficiencies, inadequate government policies, and socio-economic disparities contribute to this problem.

7. **Complexity in Legal Procedures:** Consumers often find it challenging to navigate the legal framework governing consumer rights and protection in India. Complex legal procedures, lengthy litigation processes, and inadequate awareness about consumer rights make it difficult for consumers to seek redressal for grievances and enforce their rights effectively
8. **Environmental and Health Hazards:** Consumers face risks associated with environmental degradation and health hazards resulting from the use of hazardous chemicals, pollution, and unsafe disposal of waste. Lack of proper regulation and enforcement exacerbates these issues, posing long-term risks to consumer well-being and environmental sustainability.

Addressing these challenges requires collaborative efforts from regulators, businesses, civil society organizations, and consumers themselves to ensure fair practices, promote consumer education, and strengthen consumer protection laws and enforcement mechanisms.

Let's Sumup

Consumers in India face several challenges that impact their purchasing experiences and rights. In conclusion, consumers in India face a range of challenges related to product quality, pricing transparency, customer service, digital security, and environmental impact. Addressing these issues requires robust enforcement of existing consumer protection laws, greater consumer awareness, and improved industry standards for ethical business practices.

Check Your Progress–Quiz–2

1. **If a consumer is not satisfied from the verdict given by the state level court then, the consumer can appeal in _____**
 - A. District forum
 - B. National level court
 - C. State commission
 - D. District commission

2.The district level court for redressal of consumer disputes deals with cases involving claims upto

- A. 30Lakhs
- B. 40 Lakhs
- c. 20 Lakhs
- D. 50 Lakhs

3. Why do individual consumers often find themselves in weak position?

- A. sellers shifts the responsibility to the buyers
- B. nobody can be held responsible
- C. is not the responsibility of seller
- D. It is not the responsibility of manufacturer

4. How do large companies' manipulate the market?

- A. Attractive adverting
- B. Producing on a large scale
- C. passing false information through media
- D. Overpricing

5. Why did consumer movements arouse?

- A. To introduce new brands
- B. To protect the producers
- C. Out of dissatisfaction of consumers
- D. To protect the sellers.

4.3 Unit Summary

In this unit, learners will develop a deeper understanding of consumerism in India, its drivers, challenges, and implications, enabling them to navigate the marketplace more effectively and advocate for consumer rights and welfare, gain insights into the factors driving consumerism in India and their implications for the economy and society, Identify recent trends in consumer behavior and consumption patterns in the Indian market, Analyze the challenges and problems faced by consumers in India, including issues related to product quality, pricing, and redressal mechanisms, evaluate the role of government regulations, consumer advocacy,

and corporate responsibility in addressing consumer concerns and safeguarding consumer rights.

4.4. Glossary

Economic Growth	Increased disposable incomes and middle class expansion
Globalization	Exposure to international brands and products
Government Policies	Liberalization and supportive initiatives.
Product Safety Concerns:	Sale of unsafe products and recall issues
Legal and Regulatory Challenges	Ineffective enforcement and delayed justice.

4.5 Self–Assessment

1. Explain the origin of Consumerism.
2. What are the reasons of consumerism in India?
3. What are the recent trends in Consumerism?

4.6 Activities /Assignment

<ol style="list-style-type: none"> 1. Research Paper on the Economic Impact of Consumerism in India. 2. Case Study on a Successful E-commerce Platform in India. 3. Survey on Consumer Preferences and Brand Loyalty 4. Group Project on Sustainable Consumption Practices 5. Field Trip to a Local Market or Shopping Mall
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4.6 Answers for check your progress

Section4.1	Consumerism in India
1.	d. Maximum Retail Price
2.	b. October 2005.
3.	c. Buy goods and services

4.	a. Mixing cheap materials
5.	a. Literacy and ignorance
Section4.2	Problems faced by Consumer In India
6.	b. National level court
7.	c.20 Lakhs.
8.	a. sellers shift the responsibility to the buyers.
9.	c. passing false information through media.
10.	c. Out of dissatisfaction of consumers.

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UNIT–V CONSUMER PROTECTION ACT 2019

Consumer Protection Council- Central, State, Districts Consumer Protection Councils- Consumer Dispute Redressal Mechanism.

CONSUMER PROTECTION COUNCIL

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Unit Objectives

The unit objectives related to Consumer Protection Council, Consumer Dispute Redressal Mechanism, and their various levels (Central, State, and District) learners will gain a comprehensive understanding of the consumer protection framework in India, the role of various councils, and the mechanisms in place to address consumer disputes, ultimately empowering consumers to make informed decisions and seek redressal when necessary.

Section 5.1 The Consumer Protection Act 2019

5.1.1. The Consumer Protection Act 2019.



The Consumer Protection Act (CPA) 2019 in India aims to enhance consumer rights and protection by addressing various issues faced by consumers in the marketplace. The unit objectives related to the CPA 2019 can include:

- 1. Understanding the Key Provisions of the Consumer Protection Act:** Educate learners about the fundamental provisions of the CPA 2019, including the definition of consumer rights, responsibilities of sellers and service providers, and the establishment of consumer councils at various levels.
- 2. Exploring Consumer Rights and Responsibilities:** Familiarize learners with the rights enshrined in the CPA 2019, such as the right to safety, information, choice, and redressal, as well as their corresponding responsibilities as consumers.
- 3. Analysing Unfair Trade Practices:** Examine different types of unfair trade practices prohibited under the CPA 2019, including misleading advertisements, deceptive packaging, and unfair contract terms, and understand their implications for consumers.
- 4. Studying Redressal Mechanisms:** Introduce learners to the various redressal mechanisms available to consumers under the CPA 2019, such as filing complaints with consumer courts, seeking mediation, and utilizing alternative dispute resolution mechanisms.
- 5. Understanding Product Liability:** Discuss the concept of product liability under the CPA 2019, including the liability of manufacturers, sellers, and service providers for defective products or deficient services, and explore case studies to illustrate its application.

6. **Examining E-commerce Regulations:** Explore the regulatory framework governing e-commerce transactions under the CPA 2019, including the obligations of e-commerce platforms, rules for product listings and disclosures, and mechanisms for resolving disputes in online transactions.
7. **Promoting Consumer Awareness and Education:** Emphasize the importance of consumer awareness and education in empowering consumers to make informed choices, exercise their rights, and protect themselves from exploitation in the marketplace.
8. **Encouraging Ethical Business Practices:** Discuss the role of businesses in complying with consumer protection laws, adopting ethical business practices, and establishing effective grievance redressal mechanisms to build trust and credibility with consumers.
9. **Assessing Enforcement Mechanisms:** Evaluate the effectiveness of enforcement mechanisms under the CPA 2019, including the role of consumer courts, regulatory authorities, and consumer protection agencies in enforcing consumer rights and penalizing violators.
10. **Promoting Advocacy and Consumer Activism:** Encourage learners to engage in consumer advocacy and activism by raising awareness about consumer rights, participating in consumer movements, and advocating for policy reforms to strengthen consumer protection laws.

5.1.2 Consumer Protection Councils – Central, State and Districts



Consumer Protection Councils the interests of consumers are sought to be promoted and protected under the Act inter alia by establishment of Consumer Protection Councils at the Central, State and District Levels. Consumer Protection Councils (CPCs) play a crucial role in safeguarding consumer rights and ensuring effective redressal of consumer grievances.

These councils operate at different levels—central, state, and district—to address consumer complaints and promote consumer welfare. Here's how each level of CPC and the consumer dispute redressal mechanism functions:

5.1.3. Central Consumer Protection Council (CCPC):

- The Central Consumer Protection Council is established at the national level under the Consumer Protection Act (CPA) to advise the Central Government on matters related to consumer protection policies and programs.
- It consists of the Minister-in-charge of the Consumer Affairs Department as its Chairperson and includes various stakeholders such as consumer advocates, representatives of industry, and experts in consumer affairs.
- The CCPC reviews the implementation of consumer protection laws, recommends measures for consumer education, and advises on the formulation of policies to strengthen consumer rights and protection at the national level.

5.1.4. State Consumer Protection Councils (SCPCs):

- State Consumer Protection Councils are set up in each state of India to advise the state government on consumer protection issues and initiatives.
- Chaired by the Minister-in-charge of Consumer Affairs in the state, SCPCs comprise representatives from consumer organizations, industry associations, and other relevant stakeholders.
- SCPCs monitor the implementation of consumer protection laws at the state level, promote consumer awareness campaigns, and coordinate with district-level councils to address consumer grievances effectively.

5.1.5 District Consumer Protection Councils (DCPCs):

- District Consumer Protection Councils operate at the district level and are responsible for overseeing consumer protection activities within their respective districts.
- Chaired by the District Collector or Deputy Commissioner, DCPCs include representatives from consumer organizations, local authorities, and voluntary agencies.
- DCPCs play a vital role in creating awareness about consumer rights and responsibilities, facilitating consumer education programs, and providing a platform for consumers to voice their grievances.

- They also collaborate with consumer forums and courts to expedite the resolution of consumer disputes and ensure fair treatment for consumers.

5.1.6 Consumer Dispute Redressal Mechanism



Consumer Dispute Redressal Mechanism:

- In addition to the advisory role played by CPCs, the Consumer Protection Act provides for a three-tier consumer dispute redressal mechanism consisting of:
 1. District Consumer Disputes Redressal Forums (DCDRFs) at the district level,
 2. State Consumer Disputes Redressal Commissions (SCDRCs) at the state level, and
 3. National Consumer Disputes Redressal Commission (NCDRC) at the national level.
- These quasi-judicial bodies adjudicate consumer complaints, provide speedy resolution of disputes, and award compensation or relief to aggrieved consumers.
- Consumers can file complaints with the appropriate consumer forum based on the value of the goods or services involved, and these forums have the authority to enforce their decisions against erring businesses or service providers.

Overall, CPCs and the consumer dispute redressal mechanism work in tandem to protect consumer rights, promote consumer welfare, and ensure access to effective remedies for consumer grievances at different administrative levels in India.

The Consumer Dispute Redressal Mechanism in India provides consumers with a structured process for resolving grievances related to defective products, deficient services, unfair trade practices, or any violation of consumer rights. This mechanism operates through a three-tier system consisting of:

5.1.7 District Consumer Disputes Redressal Forums (DCDRFs):

- These forums are established at the district level in each district of India.
- DCDRFs entertain consumer complaints involving claims up to a specified monetary limit, which varies from state to state.

They are presided over by a District Judge or an officer qualified to be a District Judge, along with two other members—one representing consumers and the other representing the business or service provider

- DCDRFs have the authority to hear complaints, conduct hearings, summon parties, examine witnesses, and pass orders directing compensation, replacement, or other appropriate relief.

5.1.8 State Consumer Disputes Redressal Commissions (SCDRCs):

- SCDRCs are established at the state level and serve as appellate bodies over the decisions of DCDRFs within their respective states.
- They entertain appeals against the orders passed by DCDRFs and also hear complaints involving claims exceeding the monetary limit set for DCDRFs.
- SCDRCs are headed by a President who is or has been a Judge of a High Court, along with two members—one representing consumers and the other representing the business or service provider.
- Similar to DCDRFs, SCDRCs have the authority to adjudicate consumer complaints, issue orders, and enforce compliance with their decisions.

5.1.9 National Consumer Disputes Redressal Commission (NCDRC):

- The NCDRC is the apex consumer dispute redressal body in India, located in New Delhi.
- It serves as the highest appellate authority over the decisions of SCDRCs and also hears cases involving claims exceeding a specified value or involving significant questions of law.
- The NCDRC is headed by a sitting or retired Judge of the Supreme Court of India, along with other members, and has nationwide jurisdiction.
- It has the power to entertain complaints, hear appeals, review orders, and provide remedies such as compensation, refund, or replacement to aggrieved consumers.

Key features of the Consumer Dispute Redressal Mechanism includes:

Simplified procedures to enable quick resolution of consumer complaints

- Access to justice for consumers, irrespective of their socio-economic status.
- Provision for filing complaints either in person or through authorized representatives.
- Opportunity for both parties to present their case and provide evidence during hearings.
- Enforcement of decisions through execution proceedings if the opposite party fails to comply voluntarily.

Overall, the Consumer Dispute Redressal Mechanism plays a crucial role in protecting consumer rights, ensuring fair treatment, and promoting consumer confidence in the marketplace.

Let's Sum Up

In summary, the Consumer Protection Act, 2019, is a comprehensive legislation designed to provide robust protection to consumers in India, with stringent measures against unfair trade practices and mechanisms to ensure quick and effective resolution of consumer disputes. The Consumer Protection Act, 2019, is a significant piece of legislation in India aimed at safeguarding consumer rights and interests. It replaces the Consumer Protection Act, 1986, with updated provisions to address contemporary challenges in consumer protection. The Consumer Protection Councils at the central, state, and district levels serve as advisory bodies to promote consumer rights, provide policy guidance, and enhance consumer awareness. Their coordinated efforts help in the effective implementation of consumer protection measures across India. The Consumer Protection Act, 2019, outlines a structured mechanism for the redressal of consumer disputes through Consumer Dispute Redressal Commissions at the district, state, and national levels. These commissions address consumer complaints, provide compensation, and ensure that consumer rights are upheld.

Check Your Progress-Quiz -1

- 1. Factors leading to consumer exploitation are ____**
 - A. Adulteration
 - B. Duplicate articles
 - C. Substandard goods
 - D. All of the above
- 2. Hall mark is used as a logo for which one of the following?**
 - A. Agricultural products
 - B. Jewelers
 - C. Electrical goods
 - D. Electronic goods
- 3. Consumer movements was stated to protect the interest of consumers as a ____**
 - A. International force
 - B. Political force
 - C. Social force
 - D. Economic force

4. Insisting on a cash memo from a seller is consumer's _____

- A. Right
- B. Duty
- C. Privilege
- D. Exploitation

5. Which information can be drawn through RTI?

- A. Directions to use the commodity
- B. Information about the commodity
- C. Expiry date of the good
- D. Informations about the functions of government department

5.2 Unit Summary

In this unit, learners will acquire a thorough understanding of consumer protection laws and mechanisms in India, empowering them to assert their rights, seek redressal for grievances, and contribute to the promotion of fair and ethical consumer practices, gain a comprehensive understanding of the Consumer Protection Act 2019 and its significance in safeguarding consumer rights in India, familiarize learners with the structure, functions, and mandate of Consumer Protection Councils at different levels, equip learners with knowledge of the consumer dispute redressal mechanism and their rights and responsibilities in seeking resolution for consumer grievances, develop practical skills in navigating the consumer dispute redressal process, including filing complaints and representing consumer interests effectively, foster a sense of consumer empowerment and advocacy by promoting awareness of consumer rights and avenues for redressal.

5.3 Glossary

Chairperson	Union Minister of Consumer Affairs.
Members	Includes Ministers of State (Consumer Affairs), Members of Parliament, representatives of various Central Government departments, consumer organizations, and other stakeholders
Jurisdiction	Complaints where the value of goods/services and compensation claimed does not exceed ₹1 crore
Consumer Rights	Fundamental rights of consumers including the right to safety,

	information, choice, representation, redressal, and education
E-filing	The process of submitting consumer complaints electronically for greater accessibility.

5.4 Self-Assessment Questions

1. Explain Consumer protection Act.
2. Explain Consumer Councils

5.5 Activities/ Assignment

1. Analyzing the Role and Effectiveness of the Central Consumer Protection Council
2. A Comparative Study of State Consumer Protection Councils Across Different States
3. The Role of District Consumer Protection Councils in Grassroots Consumer Awareness
4. Case Study: Implementation of Consumer Protection Policies by State Councils

.6 Answers for check your progress

Section5.1	The Consumer Protection Act 2019
1	d. All of the above
2	b. Jewelers
3	c. Social force.
4	a. Right.
5	d.Information about the functions of government department.

.7 Reference and Suggested Readings

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