

AWARENESS ON CONSUMER RIGHTS AND PROTECTION
-A COMPARATIVE STUDY OF RURAL AND URBAN CONSUMERS

Dr. S. NARAYANA SWAMY Assistant Professor of Commerce SR&BGNR Government Arts &
Science College (A) KHAMMAM - TELANGANA

S. RAMESH Assistant Professor of Commerce SR&BGNR Government Arts & Science College (A)
KHAMMAM - TELANGANA

ABSTRACT

The advent of liberalization brought about sea changes in Indian economy. As a result Indian market is flooded with a variety of goods and services, attracting many international players and multinationals which in turn resulted in increase in purchasing power of Indian consumers. As the market is flooded with a variety of goods and services, the number of producers and sellers has also increased many folds. Hence it has become difficult for the consumer to assess who is a genuine producer or seller. Producers have become stronger and organized while buyers are weak and unorganized. As a result, buyers are deceived quite often. In this context, it is imperative to protect consumers from unfair trade practices of the traders and service providers. Consumer protection and awareness assumed greater importance in India with the enactment of Consumer Protection Act, 1986. Though there were several acts and legislature to protect consumers from exploitation, Consumer Protection Act is a powerful and comprehensive piece of legislation to provide simple and speedy and less expensive remedy for redressal of consumer grievances in relation defective goods and deficient services. There are six rights of consumer which are provided in the Act viz., 1) Right to Safety, 2) Right to Information 3) Right to Choose 4) Right to be Heard 5) Right to seek Redressal 6) Right to Education. Consumer Protection Act has become a powerful weapon in the hands of aggrieved consumer to settle disputes relating to purchase of goods and services through three tier quasi-judicial machinery at district, state and national levels called district forums, state consumer disputes redressal commission and national consumer disputes redressal commission respectively.

Key words: Consumer rights, liberalization, consumer protection act

INTRODUCTION

The advent of liberalization brought about sea changes in Indian economy. As a result Indian market is flooded with a variety of goods and services, attracting many international players and multinationals which in turn resulted in increase in purchasing power of Indian consumers. India has become a potential market for many corporate houses across the globe. There has been a substantial increase in disposable incomes of the people in the country. These changes have necessitated giving high priority for the protection of the consumers and promotion of responsible consumer movement in the country.

NEED AND IMPORTANCE OF THE STUDY

As the market is flooded with a variety of goods and services, the number of producers and sellers has also increased many folds. Hence it has become difficult for the consumer to assess who is a genuine producer or seller. Producers have become stronger and organized while buyers are weak and unorganized. As a result, buyers are deceived quite often. In this context, it is imperative to protect consumers from unfair trade practices of the traders and service providers. It is important to bring awareness to consumers about the various consumer protection laws and need to inform about their rights. Consumer welfare and education is of paramount concern to the Govt. Policies were formulated to facilitate their right of choice, safety, information and mechanism for redressal of grievances in respect of products and services. The Govt. of India initiated setting up/enactment of consumer protection Act in the year 1986 to address these issues.

Consumer protection and awareness assumed greater importance in India with the enactment of Consumer Protection Act, 1986. Though there were several acts and legislature to protect consumers from exploitation, Consumer Protection Act is a powerful and comprehensive piece of legislation to provide simple and speedy and less expensive remedy for redressal of consumer grievances in relation defective goods and deficient services. There are six rights of consumer which are provided in the Act viz., 1) Right to Safety, 2) Right to Information 3) Right to Choose 4) Right to be Heard 5) Right to seek Redressal 6) Right to Education. Consumer Protection Act has become a powerful weapon in the hands of aggrieved consumer to settle disputes relating to purchase of goods and services through three tier quasi-judicial machinery at district, state and national levels called district forums, state consumer disputes redressal commission and national consumer disputes redressal commission respectively.

This apart, Govt. of India has initiated a no. of steps to promote consumer movement and consumer awareness in the country. Such measures include the use of multi- media campaign for promoting consumer awareness and encouraging consumers' involvement through efforts of Govt. and non-Govt. organizations. In spite of all these, consumer movement is still in its infancy in our country. One of the major hindrances of consumer movement is the lack of awareness among consumers.

REVIEW OF LITERATURE

The studies in the area of consumer awareness and protection are meager. No comprehensive studies have been taken up. Most of the research is done in the form of research articles in journals. There is still lot of scope to further explore in this area. However, an attempt is made to review the literature as follows:

Consumer awareness in rural India – an empirical Study 2009 conducted by Centre for Consumer Studies, IIPA. The study aimed:

- i) To examine the awareness levels of rural consumers on various consumer protection measures initiated by Govt. of India and other agencies.
- ii) To evaluate the rural consumers current knowledge, attitude, behavior and practices.
- iii) To examine the nature of unfair trade practices in rural areas.
- iv) To assess the level of satisfaction of rural consumers in relation to products and services in rural areas.

As regards awareness levels of rural consumers, the study revealed that 92.4% of respondents were not aware of CP Act, 34.2% know about Jago Grahak Jago, 90.8% agreed that they are not aware of their rights. In its recommendations the study emphasized the need to involve local panchayats, local NGOs, schools and colleges to bring about awareness on consumer rights apart from multi media campaign.

Another study by Suraiya Naik & Nur Faridah M.Zabil et al, indicated that the consumer awareness has a relationship with effective consume behaviour in terms of protecting their rights.

B.Krishnakumar and S.Sakthiventhan made a study to examine consumer protection awareness in rural areas in cuddalore district. The study found that the awareness levels of rural consumers on adulteration of food & drugs, measure of weights is low. The study recommended that mass media and educational institutions need to play an effective role in consumer awareness in rural areas.

OBJECTIVES

The main objective of the study is to understand the awareness levels of the consumers with regard to consumer rights and protection. However, the specific objectives of the study are:

1. To understand the socio-economic profile of the sample respondents
2. To assess the level of satisfaction of consumers on various products & services.
3. To study the level of awareness of consumers on various aspects of consumer rights and protection.
4. To draw conclusions from the study and suggest measures for better protection of consumers.

Sample and Methodology

The present study is empirical in nature. It is mainly based on primary data and to some extent on secondary data. The secondary data was collected from books, journals, newspapers and other publications. A sample of 300 (150 Rural and 150 Urban) consumers was collected from Godavarikhani and adjoining villages. The sample consumers were drawn in such a way so as to best represent the socio-economic conditions of the region. In order to collect the primary data, a questionnaire is prepared and administered on the selected sample consumers. The sample is selected using random sampling technique. The data so collected was analyzed and tabulated. Appropriate statistical methods were used to classify and analyse the data.

Socio-Economic Profile of Sample Respondents

The socio-economic profile of the sample respondents covered from rural and urban consumers of the selected areas so as to make a representative sample is presented below. The males constitute 57 percent while females constitute 43 percent of the sample size. As far as the age is concerned, 40 percent belonged to 20-30 years, 25 percent from the age group 30-40, 14 and 13 percents belonged to 40-50 and below 20 age groups. The age group above 50 constitutes only 8 percent.

Table No.1

Age & Sex of Respondents									
	Sex			Age (in Years)					
	Male	Female	Total	Below 20	20-30	30-40	40-50	Above 50	Total
Rural	85	65	150	17	81	35	12	5	150
Urban	87	63	150	23	39	41	29	18	150
Total	172	128	300	40	120	76	41	23	300

Source: Questionnaire.

As far as the educational status of the respondents is concerned, 19 percent sample respondents are illiterates, 30 percent are having education upto SSC, 32 percent are graduates, and 19 percent are Post Graduates. The family size of the respondents is also examined. Out of the total respondents, 15 percent are having a family from 2-3 members, 80 percent respondents are having 4-6 family members while only 5 percent constitute 7-9 family size.

Table No.2

Educational Status					
	Illiterate	Upto SSC	Graduate	P.G.	Total
Rural	27	49	50	24	150
Urban	29	41	46	34	150
Total	56	90	96	58	300

Source: Questionnaire

Table No.3

Family Size				
	2 to 3	4 to 6	7 to 9	Total
Rural	25	117	8	150
Urban	22	123	5	150
Total	45	240	13	300

Source: Questionnaire

As far as the occupational status is concerned, farmers constitute major segment of the sample i.e., 24 percent of which 85 percent are from rural areas. Among other respondents, unemployed youth constitute 23 percent, business or self employed constitute 19 percent and the remaining labourers and house wives constitute 11 percent and 8 percent respectively.

Table No.4

Occupational Status							
	Farmer	Labourer	Govt. Employee	Business or Self employed	Housewife	Unemployed	Total
Rural	61	21	13	17	13	25	150
Urban	11	12	32	39	11	45	150
Total	72	33	45	56	24	70	300

Source: Questionnaire

The purchasing power of consumers depends upon the income they earn. The study also examined the income levels of the sample respondents. The majority of the respondents i.e., 51 percent

had an annual income less than Rs.60,000. The group with annual income between 60,000 and 2,40,000 consisted of 28 percent. 15 percent had income between 2,40,000 and 6,00,000 per annum. The respondents with annual income above 6,00,000 are only 6 percent who are from the urban areas.

Table No.5

Annual Income (in Rs.)					
	Below 60,000	60,000 to 2,40,000	2,40,000 to 6,00,000	60,000 and above	Total
Rural	106	41	3	0	150
Urban	46	44	43	17	150
Total	152	85	46	17	300

Source: Questionnaire

Analysis of Data

Consumer Satisfaction: Goods and Services

Consumer satisfaction is an important determinant of demand for various goods and services. Consumers make repeated purchase of goods only when they are satisfied with the functional utility of the product and the terms and conditions the sellers fulfill when they make at the time of purchase. On the other hand, the service sector like banking, insurance, health, etc is fast expanding in the market. The deficiency in these services lead to dissatisfaction in the consumers. In this study, an attempt is made to understand the satisfaction level of the sample respondents with regard to goods and services.

Table No.6

Goods and Services	Consumer Satisfaction: Goods and Services (in %)							
	Rural				Urban			
	Fully Satisfied	Some extent	Not at all	No Response	Fully Satisfied	Some extent	Not at all	No Response
FMCG Products	60	30	4	6	37	52	3	8
Health Services	35	52	9	4	39	51	9	1
Education	42	38	13	7	46	37	11	6
Banking	27	52	14	7	45	46	6	3
Insurance	27	34	17	22	38	40	11	11

Water and Electricity	43	34	8	15	52	43	5	0
-----------------------	----	----	---	----	----	----	---	---

Source: Questionnaire

As far as the FMCG products are concerned, majority of the respondents (60%) are fully satisfied with the quality of goods in rural areas while majority of the respondents (52%) are satisfied to some extent in urban areas. The variation in rural and urban indicates the awareness level of the consumers in both areas. As regards health services, the satisfaction level is same in both rural and urban areas as majority of the respondents are satisfied only to some extent. In education services, a slight variation is found in rural and urban areas. With regard to banking services, rural consumers are found to have moderate level of satisfaction while the satisfaction level of urban consumers is considerable. In recent times, insurance services are fast expanding in the rural areas. The study indicates only 27 percent respondents are fully satisfied with these services while 34 percent are satisfied to some extent. In urban scenario, 38 percent of respondents are fully satisfied while 40 percent are satisfied to some extent. As regards water and electricity, majority of rural and urban consumers are fully satisfied with these services. The level of dissatisfaction is insignificant in urban areas.

Inquiry about Terms and Conditions

Consumers generally do not seek information about products before they make any purchase decisions. A well informed customer makes a rational decision by taking choice of all the available brands. The study makes an attempt to find out whether the consumers inquire about terms and conditions while purchasing the goods and availing services. The study revealed that the majority of respondents i.e., 58 percent always enquire about terms and conditions in rural areas while the majority (52%) from urban areas indicated that they seek information sometimes as and when it is needed.

Table No.7

	Inquire about Terms and Conditions (in%)		
	Yes	Sometimes	No
Rural	58	33	9
Urban	41	52	7
Total	50	43	8

Source: Questionnaire

Insistence on Cash Memo

In Indian market conditions, it is more prevalent that customers do not seek any receipt or memo as a proof of transaction while purchasing goods and availing services. As a result consumers will not have any right to claim compensation if the product is defective or the service is deficient. It is obligatory on the part of the consumer to demand a document as a proof of transaction. The study tried to examine whether the consumer insist on cash memo while purchasing goods and availing services. The study found that majority of the respondents (51%) in rural areas do not insist on cash memo where as 34 percent indicated that that they insist on cash memo while purchasing consumer durable items. The situation is found almost similar in the urban counterparts.

Table No.8

	Insistence on Cash Memo (in%)		
	Yes	Sometimes	No
Rural	15	34	51
Urban	5	51	44
Total	10	42	48

Source: Questionnaire

Product Information

Government of India has made it mandatory for the producers to display the product information on the product package so that the customer is able to go through the information and make a rational decision. The study made an attempt to take the opinion of the sample respondents whether they ask for the product information such as available choices, contents, price and expiry date. The results of the analysis reveal that majority of the rural consumers ask for choice of available brands and price of the products. As regards expiry date, it is not much higher in rural areas. In the urban context, the sample consumers indicated positive response towards seeking product information in terms of available choices, content, price, and expiry dates.

Table No.9

	Product Information (in%)		
	Always	Sometimes	Never
i) Available Choices			
Rural	65	31	4
Urban	54	43	3
Total	60	37	3
ii) Content			

Rural	33	56	11
Urban	57	38	5
Total	45	47	8
iii) Price			
Rural	79	15	6
Urban	86	13	1
Total	83	14	3
iv) Expiry Date			
Rural	23	40	37
Urban	48	29	23
Total	36	34	30

Source: Questionnaire

Awareness about MRP

MRP stands for Maximum Retail Price. Now it is mandatory for every producer to display the MRP of the product on the product package. The study revealed that majority of the respondents are aware of the MRP. But in rural areas a significant no. of respondents are not aware of MRP. As regards bargaining on MRP, interestingly, rural consumers are more aware of the fact that they can bargain on MRP rates.

Table No.10

	Awareness about MRP (in%)	
	Yes	No
Rural	62	38
Urban	96	4
Total	79	21

Source: Questionnaire

Table No.11

	Bargaining on MRP (in%)		
	Yes	No	Can't Say
Rural	63	30	7
Urban	59	35	6
Total	61	33	6

Awareness about Standard Marks and Labels

Have you ever observed that there are some products in which some symbols or marks are found on their package or container? On a Coco cola bottle you find FPO mark, on a pressure cooker ISI mark, on a packaged bread either vegetarian or non-vegetarian symbol. These are called standardization marks. Standard mark is a mark or label given to the product which meets certain standards with respect to the quality in terms of material used, methods of manufacturing, labeling, packaging and performance. ISI is

a Standardization mark issued by Bureau of Indian Standards (BIS) to certify that the products conform to the minimum quality standards. It covers electrical goods, cement, mineral water, paper, paints, biscuits, soaps & detergents etc. Agmark is logo prescribed by the Agricultural Marketing Department of Government of India for use on agricultural, horticultural, forestry and livestock products. The use of this logo ensures the standard of natural and prescribed products. Hall mark is special symbol given on gold and this mark ensures the purity of gold jewellery by indicating its gold content. FPO mark is seen on packages of processed foods like jam, jelly, fruit juice, pickles etc. The BEE star energy efficiency labels have been given to standardize the energy efficiency ratings of different electrical and electronic products.

In this study an attempt is made to understand the awareness levels of both rural and urban consumers about certain standard marks and labels. The study revealed that the awareness levels of sample respondents with respect to ISI and Agmark labels are high. As regards hallmark symbol, a moderate level of awareness is found in both rural and urban areas. As far as the FPO and BEE labels are concerned, the majority of the respondents are found to have no knowledge of these marks and labels.

Table No.12

	Awareness about Standard Marks and Labels (in %)									
	ISI		Agmark		Hallmark		FPO		BEE	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Rural	83	17	68	32	45	55	9	91	9	91
Urban	82	18	49	51	66	34	17	83	12	89
Total	82	18	58	42	56	44	13	87	10	90

Source: Questionnaire

Awareness about Consumer Protection Act

The Consumer Protection Act is a comprehensive piece of legislation enacted in 1986 to protect the interests of the consumers. It provides a three-tier redressal mechanism at the district level, state level and national levels to address the complaints of the consumers. In spite of the wide publicity given by the Govt. ever since its enactment, many of the consumers are not aware of the act and its redressal mechanism. For this purpose, the present study tries to examine the awareness levels of the consumers with respect to the Consumer Protection Act. Interestingly, the study revealed that the majority of the sample respondents are aware of the Act both in rural and urban areas. As regards the sources of

knowledge of the act, the sample respondents come to know about from a variety of sources. Majority respondents know about CPA through Television/Radio and Newspapers/Magazines. A considerable no. of respondents could not reveal the sources through which they know about CPA.

Table No.13

	Awareness about Consumer Protection Act (in %)	
	Yes	No
Rural	69	31
Urban	75	25
Total	72	28

Source: Questionnaire

Table No.14

	Sources of information about CPA (in %)					
	Television/Radio	Newspapers/Magazines	Hoardings	Neighbours	NGOs	Can't Say
Rural	34	29	3	8	4	23
Urban	33	22	1	9	1	35
Total	34	25	2	8	2	29

Source: Questionnaire

Awareness about Jago Grahak Jago

Jago Grahak Jago is an initiative of Department of Consumer Affairs, Government of India to educate the consumers about unfair practices of traders and service providers. It is being popularly publicized across the country in several regional languages. The study makes an attempt to understand the awareness level of consumers about Jago Grahak Jago. The study revealed that majority of the respondents knows about Jago Grahak Jago. Interestingly, the awareness levels of rural consumers are more than urban consumers in the study. Further, the study attempts to examine awareness levels of sample respondents with respect to Grievance Redressal Mechanism being adopted under Consumer Protection Act. Majority of the respondents do not know about the redressal mechanism. The scenario is same in case of urban and rural areas.

Table No.15

	Awareness about Jago Grahak Jago (in%)		
	Yes	No	Can't say

Rural	58	31	11
Urban	48	46	6
Total	54	38	8

Table No.16

	Awareness about Grievance Redressal Mechanism (in%)	
	Yes	No
Rural	35	65
Urban	37	63
Total	36	64

Source: Questionnaire

Conclusions

1. The sample respondents of rural and urban strata have been selected to make it a representative sample. Males constituted 57% of the sample size and 43 % were females. The age distribution of sample is 13% upto 20 years of age, 40% from 20-30 age group, 25% from the age group 30-40, 14 % and 18% belonged to 40-50 and above 50 years age groups respectively.
2. As far as the educational status of the respondents is concerned, 19 percent sample respondents are illiterates, 30 percent are having education upto SSC, 32 percent are graduates, and 19 percent are Post Graduates. As regards the family size, out of the total respondents, 15 percent are having a family from 2-3 members, 80 percent respondents are having 4-6 family members while only 5 percent constitute 7-9 family size.
3. As far as the occupational status is concerned, farmers constitute major segment of the sample i.e., 24 percent of which 85 percent are from rural areas. Among other respondents, unemployed youth constitute 23 percent, business or self employed constitute 19 percent and the remaining labourers and house wives constitute 11 percent and 8 percent respectively.
4. With regard to Annual income of the respondents, the majority of the respondents i.e., 51 percent had an annual income less than Rs.60,000. The group with annual income between 60,000 and 2,40,000 consisted of 28 percent. 15 percent had income between 2,40,000 and 6,00,000 per annum. The respondents with annual income above 6,00,000 are only 6 percent who are from the urban areas.
5. Consumer satisfaction is an important determinant of demand for various goods and services. As regards FMCG products, the study revealed that majority of the respondents (60%) are fully satisfied with the quality of goods in rural areas while majority of the respondents (52%) are

satisfied to some extent in urban areas. With regard to services, the satisfaction level of consumers is moderate for health, education, banking, water and electricity. The respondents revealed less satisfaction towards insurance services. the disparities between rural and urban consumers is not acute in case of services.

6. The study revealed that the majority of respondents i.e., 58 percent always enquire about terms and conditions in rural areas while the majority (52%) from urban areas indicated that they seek information sometimes as and when it is needed.
7. The study found that majority of the respondents (51%) in rural areas do not insist on cash memo where as 34 percent indicated that they insist on cash memo while purchasing consumer durable items. The situation is found almost similar in the urban counterparts.
8. The study revealed that majority of the respondents are aware of the MRP. But in rural areas a significant no. of respondents are not aware of MRP. As regards bargaining on MRP, interestingly, rural consumers are more aware of the fact that they can bargain on MRP rates.
9. The study revealed that the awareness levels of sample respondents with respect to ISI and Agmark labels are high. As regards hallmark symbol, a moderate level of awareness is found in both rural and urban areas. As far as the FPO and BEE labels are concerned, the majority of the respondents are found to have no knowledge of these marks and labels.
10. The study revealed that the majority of the sample respondents are aware of the Consumer Protection Act in both urban and rural areas. As regards the sources of knowledge of the act, the sample respondents come to know about from a variety of sources. Majority respondents know about CPA through Television/Radio and Newspapers /Magazines. A considerable no. of respondents could not reveal the sources through which they know about CPA.
11. As regards Grievance Redressal mechanism, majority of the respondents do not know about the redressal mechanism. The scenario is same in both urban and rural areas.

Bibliography

1. Consumer Awareness in Rural India – An Empirical Study (2009), Prof. Suresh Misra & Sapna Chadah, Centre for Consumer Studies, IIPA, New Delhi.
2. Consumer Protection Act, 1986, en.wikipedia.org
3. Kumar,N. and Batra, N., 1990, Consumer Rights – Awareness and Action, Indian Journal of Marketing.

4. Impact of Consumer Awareness and Knowledge to Consumer Effective Behavior, Suraiya Ishak & Nur Faridah M.Zabil, Malaysia, Oct, 2012.
5. A study on Consumer Protection Awareness among Rural Consumers in Cuddalore district, Krishna Kumar,B. & Sakthiventhan, S., International Journal of Exclusive Management Research, June 2012, Vol.2, issue 6.