Consumer Protection Awareness- Role of Education

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Abstract With the advancement in technology, education and the impact of globalization, consumers are enjoying high privileges. They have access to everything at the click of a button; they are using more electronic gadgets and are dependent on online purchases. On the other side it is unfortunate to know that consumers are becoming the main target of exploitation. They are the worst victims of unfair trade practices. Government has implemented new laws and measures to protect the consumers. In spite of government's efforts the consumers are still being exploited mainly because of lack of awareness of Consumer rights. In this scenario an attempt was made to understand the level of awareness among educated and uneducated consumers about Consumer rights. A Sample of 1000 consumers from Andhra Pradesh was selected through purposive sampling method. SPSS 20.0 was used. Exploratory factor analysis, correlation and regression tests were applied. The study found that education did not create much difference in the level of awareness, majority of consumers do not have knowledge of Consumer Rights and laws. A positive correlation was found between Consumer Perceptions, buying Practices and Problems. The study identified three critical factors of Consumer Protection namely Government Initiatives, Consumer Awareness and Accessibility.

Keywords Consumer Protection, Consumer Forum, Consumer Exploitation, Perceptions

1. Introduction

Customer is the central point for all the business activities and also the only person subjected to all types of exploitation. With the advancement of technology and changing expectations of Consumers the business man are adopting various strategies to earn their profits at the cost of the customer in order to meet the increasing competition. In spite of the best Consumer Laws and serious measures of the government to protect the interests of the Consumers, exploitation is increasing day by day. The major reason contributing to this situation is lack of awareness among the

Consumers about their rights and protection measures.. The Consumer Protection Act (CPA) is a compassionate social legislation that provides for protection of rights of the consumers and redressal of consumer disputes. CPA has provided for three tier quasi-judicial consumer dispute redressal mechanism at district, state and national level. The Act applies to all goods and services, excluding goods for resale or for commercial purpose, services rendered free of charge and under a contract for personal service. In spite of these Consumer Protection Acts and measures consumers are still being exploited and the main reason is lack of awareness. In this scenario an attempt is made in this paper to study the awareness level of consumers about Consumer Protection, their buying, practices and perceptions of consumers about their rights.

2. Literature Review

This section examines and reviews the literature pertaining to consumer behavior their rights, awareness levels and problems.

The consumerism in our country has not yet reached the take off stage. A large number of Indian consumers are poor, illiterate, ignorant, ill-informed and unorganized. In order to check this unhappy state of affairs, it is very important to educate the consumers about their rights. Akram[1] .Ashok Patil (2011) [2] explained various reviews and critiques regarding consumer laws and measures. The Researchers concluded that not a day passes without a consumer being cheated in the market place. World over the consumer is mercilessly exploited by not one, but by several agencies. This worldwide tendency of consumer exploitation, which has turned from an endemic to epidemic stage, needs to be halted. The solutions for the problem of consumer exploitation lies with every individual, be it a common man or king. Bhamy V. Shenoy [3] concluded that even after forty five years of political freedom, economic freedom remains a mirage, as, both the rich and the poor are unable to exercise their consumer rights. Dr. J. K Raju & Mr. Asifulla [4], explored about the issues and challenges associated with the consumer protection act, 1986. They identified few possible

suggestions/recommendations in order to avoid and reduce unfair trade practices made by the various companies in India. Rebello [5] cautioned that unless the consumers continue being alert and interested in protecting their interests, businessmen, traders and advertisers would once again become immersed in themselves and forget their consumers. Lizzy (1993)[6] identified that the literacy levels are correlated to the filing of complaints in the Consumer Forums. It is evident from the study that the complaints received by redressal agencies are high where the literacy rate is high or almost equal to state average literacy rate of 89.91 percent, is high. It is pertinent to mention that consumer education cannot be neglected for effective Consumer Protection. Spillman (1976) [7] opined that the important principle for consumers is found in the expression "Let the buyer beware", a warning, which means that the consumers are literally on their own. He emphasized that Consumerism will not change the basic need for consumers to make their intelligence to use caution in any transaction. It is resourceful in solving problems. Most of the consumers in India are illiterate and may not understand their rights. Nageshwar Rao [8] stated that consumer education makes the consumers as responsible citizens and demand value for the money paid, quality, service and satisfaction. It safeguards people against exploitation. According to Rama Rao [9], the consumer himself is partly responsible for exploitation, since he is unaware of his rights. Majority of the Indian Consumers have remained unprotected because they are being apathetic ignorant non-price conscious, irrational found of bargaining without information about product quality etc., have remained unprotected. The main reason for such a state of affairs is lack of education and rational thinking among consumers. C. S. Rayudu [10] stated that the consumer should have knowledge on wide fields of mercantile practices like legal protection available, exaggerated advertisements, price variations, substitutes, fair and unfair practices, short weights and measures and price policies of Government. But the percentage of literacy is very low in our country. He opined that consumer co-operative societies are an effective instrument of consumer resistance against the exploitation. Narayanaswamy [12] concludes in his study that once consumers become more knowledgeable they can easily resist any anti-consumer move besides being wise and prudent in their money management. William and Ferreil [13] concluded in their study that consumer education programmes teach such things as the major factors that should be considered when buying specific products, the provisions of certain consumer protection laws, so that students can become well-informed consumers. Virendar Pal Singh, et al. [14] conducted a study to know awareness about CPA (Consumer Protection Act) and medical negligence among medical and surgical specialists working in Private and Govt. Medical Colleges. It was found that the awareness about CPA and medical negligence among the medical as well as surgical specialists was unsatisfactory. Zend and

Murali (1994[15]) studied Consumer awareness towards fraudulent practices used by the sellers of household appliances among 119 consumers from different localities of Parbhani Town. For the purpose of knowing awareness, he selected the independent variables of gender, age, literacy and occupation. The study revealed that 30 to 49 percent of consumers experienced various fraudulent practices in the hands of manufacturers and at retail level. Number of fraudulent practices experienced by the consumers was more at the retail seller's level as compared to that of manufacturer's level. A large proportion of consumers (89.04 percent) were highly conscious towards the fraudulent practices in the market. Low and medium level of awareness was noticed among women and educated consumers respectively.

3. Objectives of the Study

The main objective of the study was to examine the extent of awareness among consumers of their consumer rights. The other objectives are as follows.

- To understand the level of consumer awareness among educated and uneducated consumers.
- To study the perceptions of consumers about Consumer Protection.
- To examine their Buying Behavior and the problems faced by them.

4. Materials and Methods

The data is collected from both primary and secondary sources. The primary data was collected through a survey. The Questionnaire contained questions for testing their awareness about Consumer Rights and Measures and the opinion of consumers about the existing measures and buying practices. Sample of 1000 consumers from Andhra Pradesh were selected through purposive sampling method. Among the sample- five hundred students from Universities of Andhra Pradesh mostly Post graduates and research scholars belonging to both arts and science streams from both genders in equal proportion were selected. The remaining five hundred constituted the uneducated. Focused group discussions were also held with students and it took almost four months' time to collect the data. The research is descriptive and analytical in nature. We used SPSS 20.0 for data analysis. Exploratory factor analysis, correlation and regression tests were applied.

5. Analysis & Discussion

1. Awareness of Consumers about Consumer Protection:

There are about thirty laws pertaining to every aspect of

consumer life which can protect him from the clutches of middlemen who indulge in malpractice. Renu Arora[11] expressed that “the consumers are confronted with numerous problems due to lack of knowledge or awareness of their rights and enactment’s of the Government. He does not exercise his rights as a consumer. To eradicate such ignorance and make the consumer a better buyer and safeguard his interest from the malpractice of businessmen, no measure can be more effective than consumer education. He opined that it is the first right and the duty of the consumers of every citizen as much as consumer protection is his fundamental right.”

To understand the level of Consumers Awareness the respondents were questioned on various aspects relating to Consumer Protection. The results of the Study(Fig:1) revealed that about 54 percent of educated respondents and 84 percent of uneducated are unaware of Consumer Rights, and almost 68 percent of educated respondents and 83

percent of uneducated do not have any idea about Consumer fora. It is surprising to know that more than 70 percent of respondents did not have any idea about copra (Consumer Protection Act), provisions for protecting consumers and about the Consumer Rights Day. AGMARK is the symbol for quality and only few know about AGMARK and difference between warranty /guarantee. Overall from this study it is understood that most of the consumers both educated and uneducated are not aware about Consumer Laws and Rights.

2. Opinion of Consumers about Consumer Protection Measures

The consumers were asked certain questions in order to understand their opinion about Consumer Protection Measures

Figure 1. Awareness of Consumers about Consumer Protection

Figure 2. Opinion of Consumers about consumer Protection Measures

From the survey(Fig:2) it was found that only a few respondents (i.e. 13 percent) of uneducated agreed that Consumers in India are well protected by Consumer Laws while about 32percent of educated consumers agreed that government has no measures to protect the interests of consumers. Only 18 percent of uneducated consumers agreed that the schemes introduced by the government to protect the interests of the consumers are well implemented. Among the educated 43 percent said that business ethics are deteriorating day by day while only 11.4 percent of uneducated agreed with the statement that consumers enjoy the same level of choices, Services and benefits like their global counterparts. Only 31 percent of educated agreed that Government is taking appropriate action against errant sellers. Almost 71 percent of the uneducated agreed that Consumer Exploitation is primarily due to unawareness on the part of the consumers. Only 42 percent of the educated felt that Product labeling gives all desired information on Products, while 73.4 percent agreed that an alert consumer is the need of the hour and 14 percent agreed that Consumers have access to Consumer Rights in our country. The over analysis reveals that most of the consumers both educated and uneducated do not have positive opinion about Consumer Protection measures

3. Buying Behavior of the Consumers

Consumer awareness is very closely associated with buying behavior so an attempt has been made to study the buying practices and various problems that are experienced while purchasing the goods.

Quality of Packing: In today's competitive environment, quality is playing a vital role in business transactions. Most of the consumers generally prefer to buy packed items, as the quality of those products will be sustained for a longer period of time. To know their concern with quality and hygiene they were questioned on these dimensions. The Survey revealed that almost 92 percent of the uneducated consumers do not examine the quality of Packing , label and other information while purchasing the goods and among them only 74 percent examine the packing regularly

Respondents insisting Cash Memo: From the study it was found that almost 93 percent of uneducated consumers do not insist cash memo and among those who insist for receipt almost majority do not retain the receipt. Hence it can be concluded that consumers are not realizing the importance of the bill for the items purchased.

Figure 3. Buying Practices of Consumers

Figure 4. Problems of Consumers

4. Problems faced by Consumers

To understand the difficulties of students and the various forms of exploitation adopted by businessmen they were asked about the problems faced by them while purchasing the goods.

The survey revealed that about 32 percent are having the problem with poor quality while 23 percent complained about the high price and duplication of the goods. It can be thus concluded that nature of problems are varying and degree of intensity is linked with the awareness levels of individual respondents.

5. Factors effecting Consumer Protection

To better understand the critical factors relating to

consumer protection, exploratory factor analysis was conducted. The KMO value is 0.739 which indicates the measure of Sampling Adequacy, from the Rotated Component Matrix three factors were extracted namely government Initiatives, Consumer Awareness and Accessibility. The total variance explained by all these three factors is 55.933. (Table1,2,3)

Table 1. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.739
Bartlett's Test of Sphericity	Approx. Chi-Square	838.181
	df	28
	Sig.	.000

Table 2. Total Variance Explained

components	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.298	28.73	28.73	2.29	28.73	28.73	2.13	26.68	26.68
2	1.172	14.65	43.38	1.17	14.66	43.38	1.28	16.00	42.68
3	1.004	12.55	55.93	1.00	12.56	55.93	1.06	13.25	55.93
4	.875	10.94	66.87						
5	.788	9.85	76.72						
6	.726	9.08	85.79						
7	.637	7.96	93.75						
8	.500	6.248	100.0						

Extraction Method: Principal Component Analysis.

Table 3. Rotated component matrix

	Initiatives	Awareness	Accessibility
Government is taking appropriate action against errant sellers (Op6)	.786		
Indian Consumers enjoy the same level of choices, Services and benefits like their global counterparts (Op5)	.726		
All people have access to Consumer Rights in our country (Op10)	.620		
An alert consumer is the need of the hour (Op9)	.559		
Consumers in India are well protected by the Consumer Laws (Op1)	.500		
Consumer Exploitation is primarily due to unawareness on the part of the consumers(op7)		.757	
Business ethics are deteriorating day by day(op4)		.712	
The government has no measures to protect the interests of the Consumers(op2)			.922

6. Relation between Consumer Perceptions, buying Practices and Problems of Consumers

To know the relation between consumer perceptions towards their rights and buying practices and problems a correlation test was conducted it was found that at 0.05 significant level there is a positive correlation between Consumer Perceptions, buying Practices and Problems of Consumers.

Table 4. Correlations

		Problems Faced By Consumers	Perceptions	Practices
Problems Faced By Consumers	Pearson Correlation	1	.152	.101
	Sig. (2-tailed)		.000	.001
	N	1000	1000	1000
Perceptions	Pearson Correlation	.152	1	.548
	Sig. (2-tailed)	.000		.000
	N	1000	1000	1000
Practices	Pearson Correlation	.101	.548	1
	Sig. (2-tailed)	.001	.000	
	N	1000	1000	1000

7. Relation between Satisfaction and Perceptions about Consumer Protection

To know the impact of Perceptions and consumer satisfaction multiple regression tests were conducted. The dependent variable is consumer satisfaction and independent variables are the critical factors relating to consumer Protection namely Government Initiatives, Consumer Awareness and Accessibility. It is observed that the R Square value is 0.553 (acceptable standard is .50) which indicates that around 50 percent of the dependent variable (Consumer Satisfaction) variation was explained by all the independent variables and the ANOVA table reveals that the model was fit as F value is 409.14 and sig value is 0.00. The co-efficient's of the independent variables - namely government Initiatives, (0.00), Consumer Awareness (0.00) and Accessibility (0.00) are significantly effecting the dependent variable consumer satisfaction as their sig. values is less than 0.05 (Table 5, 6, 7).

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743 ^a	.552	.551	1.05312
a. Predictors: (Constant)				

Table 6. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1361.283	3	453.761	409.143	.000 ^a
	Residual	1104.617	996	1.109		
	Total	2465.900	999			
a. Predictors: (Constant)						

Table 7. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.390	.033		311.989	.000
	Government initiatives	.502	.033	.320	15.071	.000
	Consumer Awareness	1.040	.033	.662	31.202	.000
	Accessibility	.172	.033	.110	5.169	.000
a. Dependent Variable: satisfaction						

6. Conclusions

The study was conducted to understand the level of consumer awareness among both educated and uneducated consumers. It was found from the survey that majority of the Consumers both educated and uneducated do not have knowledge of their consumer rights, Laws and provisions. They have very little confidence in the government and negative opinion about the existing measures. The study identified three critical factors of consumer protection namely Government Initiatives, Consumer Awareness and Accessibility. The study also found there is a positive correlation between Consumer Perceptions, buying Practices and Problems of Consumers. Consumer education must be made a part of the curriculum and voluntary organizations, cooperative societies need to provide the necessary training and financial support. Seminars, Workshops, discussions should be conducted in the educational institutions frequently. Books on Consumer Protection, Magazines, Reports, pamphlets, cassettes, CDs, slides should be available in all libraries. More and more promotional activities should be conducted to increase awareness among students. Consumer Clubs must be there in all educational institutions. Consumer Fora should function more effectively. They should advertise about the cases solved by them and should motivate consumers to complain about their problems. The Consumers must be cautious and responsible when they are buying the products and services. They should understand their rights and should fight for their grievances. The government has to take necessary measures to stop unfair trade practices and strict regulations need to be made to follow business ethics. Majority of the Consumers felt that consumer movement can be strengthened through Media and Literature and through better relations between government, consumer and business. Hence the government should

evolve a mechanism which would enable the customer to access the legal service at free of cost and they should be easily accessible to all. Business men have to be enlightened on its ethical and legal obligations to maintain quality of the products or service. It is also suggested that provisions have to make for receiving complaints through online.

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