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A Study on Consumer Protection and Awareness in Chennai District, Tamil Nadu

Dr. V N Parthilban*

ABSTRACT

Any product produced or manufactured, must have customers. Without customers the product has no value. Naturally the consumer expects a quality product at a reasonable price along with quality and quantity. In the interest of making easy money, many manufacturers without following the regulations of the Government either for production or for sale bring the product to the market at a price much lesser to attract the consumers. This is most unethical from the consumer protection. The Government at its best can only frame Acts, rules and regulations and sincerely attempt to implement it. But a country like India where there is huge population, illiteracy, poverty and economic disparity, the consumer at the lower end are either afraid to go to consumer forum/court or content themselves with cheap and quality wise poor stuff. This attitude of the consumer must undergo a thorough change and they must help the government by insisting on the effective implementation of the provisions of the Consumer Protection Act. The consumers should not hesitate to go to consumer forums even for a poor quality product though it was purchased at a much lower price.-In this paper, an attempt was made to found whether Consumer protection and Consumer awareness has existed. The paper focuses on Consumer protection and Consumer awareness and its level. Questionnaire was used to carry out survey for 500 respondents using multi-stage random sampling. After analyzing data, finally suitable suggestions were included.

Key words: Consumer Protection, Consumer Awareness, CP Act.

INTRODUCTION

Any product produced or manufactured, must have customers. Without customers the product has no value. Naturally the consumer expects a quality product at a reasonable price along with quality and quantity. In the interest of making easy

money, many manufacturers without following the regulations of the Government either for production or for sale bring the product to the market at a price much lesser to attract the consumers. This is most unethical from the consumer protection.

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Taking this matter seriously both the Central Government and State Governments now and then revise, regulate and stiffen the rules that govern the Consumer Protection Act. In spite of it, there are unscrupulous manufacturer who indulge in unlawful production of even prohibited products and earn immoral money. Only for this, the Government insists on the customer education through consumer movements and consumer clubs. It is unfortunate the general public do not take this caution seriously. Tax evasion, smuggling the raw materials, manufacturing without permit, unregulated business practices have become common today to push the sale. This should be prevented at any cost. The people in general and consumers in particular must take pains to understand the purpose of the Government controlling the market. For this, they have to understand the problems of the Government in implementing the sections of the Consumer Protection Act to check the unfair trade practice.

On the one hand, the consumer also must realize that the economy of the country is to be developed and check the growth of unlawful practices of the manufacturers. Consumers Protection can be implemented only through various enactments and Acts. The consumers also must demand his rights. This is the only way to prevent the

unlawful practices and establish healthy trade competition. The frauds and other unfair practices should be identified by the consumers and should not mind on two important things namely (1) to pay a little more to get right quality and quantity; and (2) take steps to see that fraudulent businessmen are brought to book. In any advanced/developed countries stringent actions are taken by the consumer to bring to the notice of the authority, whereas in our country people are satisfied with sub-standard product because it is cheaper. Basic education apart from consumer education must tell them the healthy product will last longer though costs more than the cheap products that will fail at a shorter period.

OBJECTIVES OF THE STUDY

The following are the broad objectives of the study:

1. To analyse the opinions of the sample respondents regarding the existence of consumer protection;
2. To ascertain the awareness of the sample respondents pertaining to the consumer protection laws; and
3. To suggest policy measures to strengthen the existing consumer protection laws and also for consumer awareness.

HYPOTHESES OF THE STUDY

The present study formulates the following hypotheses:

1. There is significant difference in the economic status of the sample respondents in the study area;
2. There is significant relationship between educational levels of the sample respondents and the extent of their awareness about consumer protection; and
3. There is significant variation in the opinions of the sample respondents about the utility of consumer protection laws.

METHODOLOGY OF THE STUDY

The present study examines the socio-economic status of the sample respondents and their opinions pertaining to their awareness about consumer protection laws on the basis of the information gathered from them. Information has been collected from them through field survey for which a standard questionnaire was prepared and a pilot survey was conducted in order to ascertain the suitability of the same. On the basis of the pilot study, necessary modifications have been carried out in the questionnaire and the final field survey was undertaken during the period January 2014 to March 2014.

Chennai is segmented into 200 wards under 15 different zones. These 15 zones can be classified into North Chennai and South Chennai in which there are 7 zones in the North Chennai and 8 zones in South Chennai. For this study, five zones from the North Chennai (Manali, Royapuram, Tondiarpet, Madhavaram and Ambattur) and five zones from South Chennai (Teynampet, Annanagar, Kodambakkam, Alandur, and Perungudi) have been purposively selected as sample units. From these 10 zones, two wards each have been identified as the sample wards and thus, these 20 wards form the area of the present study.

SAMPLING DESIGN

In this study, multi-stage proportionate random sampling method is applied. In the first stage, Chennai city as the sample area has been chosen, since it is the most populous city in Tamil Nadu. Chennai is divided into 15 zones. In the second stage, 10 zones have been selected as the sample units, viz., Manali, Royapuram, Tondiarpet, Madhavaram and Ambattur from North Chennai and Teynampet, Annanagar, Kodambakkam, Alandur and Perungudi from South Chennai. From these 10 zones, two wards each have been identified randomly as the area of the study. Thus, a total of 20 wards have been identified from the 10 zones. In

the third and final stage, the sample households have been selected. From each of the 20 sample wards, 25 respondents have been chosen randomly. Thus, a total of 500 respondents have been selected as the sample respondents for this study. Care has been taken to include the respondents with different socio-economic characteristics like education, income, type of occupation and social groups to make the sample as much representative as possible.

TOOLS OF ANALYSIS

The information collected from the sample respondents has been examined with the application of statistical tools which include ratio analysis, descriptive statistics, t-test, ANOVA and Log Likelihood Ratio Test.

LIMITATIONS OF THE STUDY

1. Due to time and financial factors the sample size cannot be expanded beyond the chosen one.
2. Some of the respondents reluctant to provide certain information.
3. This study is entirely based on the information gathered from the sample respondents regarding their socio-economic conditions and their opinions about their consumption, awareness about consumer protection laws.

REVIEW OF LITERATURE

CONSUMER AWARENESS

Udayakumar (1997) stated that the consumer has been ill-treated since a long time in the market milieu in developed, developing as well as under developed countries. Consumers are being miserably cheated and misled by the unscrupulous middlemen and the manufacturers of goods and services by adopting malpractices like adulteration, underweighment, inferior quality, duplicate goods, misleading advertisement, and the like. It is continuing still in India with various degrees of exploitation in the entire sphere of trade due to lack of awareness about the consumer rights among the consumers.

Prajapati and Patel (2009) stated that it is the consumer who provides for the production of goods in form of land, capital and human resources. Consumer education also helps in making wise choices. In developing countries, it becomes all the more important because there is variety of products and there is little control over standards. Consumers get cheated in several ways. Lack of awareness of consumer regarding their rights is another reason why they should be armed with proper education about their rights. They need to be alert and cautious, well informed against the various misleading tactics of the market.

Shashi and Khurana (2012) examined the general awareness among consumers regarding consumer protection and awareness about the provisions of Consumer Protection Act 1986. They specifically studied the level of awareness with regard to procedural formalities to be completed while filing a complaint in consumer forum. They also explained the important theoretical points related to protection of consumer's interest. The study indicated considerable degree of lack of awareness among the sample respondents about the provisions of 1986 Act, the rights it provides, etc.

CONSUMER PROTECTION

Singh (1996) noted that courts have been generous in granting compensation in the cases of consumer protection, widening its ambit by including the factors of mental agony and harassment is also an indicator of the fact that the modern consumer is an empowered consumer and has an adequate redressal mechanism to seek recourse from.

Kumar (1999) discussed the problems and theories applicable to the Indian consumers. He said that the average Indian consumer is susceptible to capitalist controlled media influences and is self-depreciated and unsure of his needs and wants. Indian consumers need to be understood and their problems resolved

through law and other devices. The author discussed theory of commodity fetishism to explain subjective feelings towards consumer goods. He concluded that Indian consumer needs to be taught, trained and should be made to learn to consume. Consumers should not ask what the government can do for them, but first think what they can do for themselves.

Murugaiah (2001) viewed that consumers are organizing themselves for the protection of their interests. Consumer protection is a form of social action which is created to attain the well being of consumers. In this context, it is necessary that the various groups of society such as Government, Judiciary, and Voluntary Associations of consumers play their role to protect and promote the consumer-interests – economic, social, and environmental.

Ramarao (2011) discussed the concerns on the digital divide and illustrates, through case studies, how the recent developments in the Information and Communication Technology can be gainfully employed in social development and in bridging the digital divide. It also addresses the phenomenon of E-Commerce and identifies the efforts made by different industry groups, international organizations and ministries in addressing the concerns related to E-Commerce and consumer protection.

EDUCATIONAL LEVELS AND AWARENESS ABOUT THE EXISTENCE OF CONSUMER PROTECTION MEASURES

The degree of awareness among the respondents is also analysed on the basis of their levels and education with the help of the data shown in Table – 1

Table – 1 Educational Level-wise Awareness about Existence of Consumer Protection Measures among the Respondents

Educational Levels	Opinions				Total
	Fully Aware	Aware	No Opinion	Not Aware	
Illiterate	Nil	Nil	15	17	32
	Nil	Nil	(46.9)	(53.1)	(100.0)
	Nil	Nil	[11.7]	[12.3]	[6.4]
High	Nil	Nil	19	35	54
	Nil	Nil	(35.2)	(64.8)	(100.0)
	Nil	Nil	[14.8]	[25.4]	[10.8]
Higher Secondary	Nil	12	27	47	86
	Nil	(14.0)	(31.4)	(54.7)	(100.0)
	Nil	[10.0]	[21.1]	[34.1]	[17.2]
Graduate	36	50	67	39	192
	(18.8)	(26.0)	(34.9)	(20.3)	(100.0)
	[31.6]	[41.7]	[52.3]	[28.3]	[38.4]
Professional	46	48	Nil	Nil	94
	(48.9)	(51.1)	Nil	Nil	(100.0)
	[40.4]	[40.0]	Nil	Nil	[18.8]
Post Graduate	32	10	Nil	Nil	42
	(76.2)	(23.8)	Nil	Nil	(100.0)
	[28.1]	[8.3]	Nil	Nil	[8.4]
Total	114	120	128	138	500
	(22.8)	(24.0)	(25.6)	(27.6)	(100.0)
	[100.0]	[100.0]	[100.0]	[100.0]	[100.0]

Note: Figures in round brackets are row percentages and those in square brackets are column percentages. Source: Field survey.

AGE LEVELS AND AWARENESS ABOUT EXISTENCE OF CONSUMER PROTECTION MEASURES

The opinions of the respondents pertaining to their awareness about the existence of consumer protection measures are also analysed on the basis of their age levels and the relevant data is presented in Table – 2.

Table – 2 Age Level-wise Awareness about Existence of Consumer Protection Measures among the Respondents

Age	Opinions				Total
	Fully Aware	Aware	No Opinion	Not Aware	
Upto 30	38	41	34	20	133
	(28.6)	(30.8)	(25.6)	(15.0)	(100.0)
	[33.3]	[34.2]	[26.6]	[14.5]	[26.6]
31 - 40	30	27	32	25	114
	(26.3)	(23.7)	(28.1)	(21.9)	(100.0)
	[26.3]	[22.5]	[25.0]	[18.1]	[22.8]
41 - 50	27	27	29	24	107
	(25.2)	(25.2)	(27.1)	(22.4)	(100.0)
	[23.7]	[22.5]	[22.7]	[17.4]	[21.4]
51 - 60	14	19	25	34	92
	(15.2)	(20.7)	(27.2)	(37.0)	(100.0)
	[12.3]	[15.8]	[19.5]	[24.6]	[18.4]
Above 60	5	6	8	35	54
	(9.3)	(11.1)	(14.8)	(64.8)	(100.0)
	[4.4]	[5.0]	[6.3]	[25.4]	[10.8]
Total	114	120	128	138	500
	(22.8)	(24.0)	(25.6)	(27.6)	(100.0)
	[100.0]	[100.0]	[100.0]	[100.0]	[100.0]

Note: Figures in round brackets are row percentages and those in square brackets are column percentages. Source: Field survey.

TESTING OF HYPOTHESES

Hypothesis One: There is significant difference in the economic status of the sample respondents in the study area.

Null Hypothesis: There is no significant difference in the economic status of the sample respondents in the study area.

The economic status like the monthly income of the sample respondents differ among them as noted in the previous chapter. This is statistically tested with the application of t-test by taking the monthly income of the sample respondents and the test result is presented in Table – 3.

Table – 3 Testing the Difference in the Monthly Income of the Sample Respondents

Variable	t-value	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
Monthly Income	22.6981***	0.000	14483.98	14148.04	14819.91

Note: *** indicates significance at 1 per cent level. Source: Computed from field survey data.

The table indicates that the calculated t-value of 22.6981 is significant at 1 per cent level and thus the null hypothesis is rejected, which suggests that there is significant difference in the monthly income of the sample respondents. This is particularly true when the respondents are segmented on the basis of their area of residence and gender. The monthly income of those who reside in South Chennai is higher than that of those who reside in North Chennai and similarly, the monthly income of the male respondents is considerably higher than that of the female respondents.

Hypothesis Two: There is significant relationship between educational levels of

the sample respondents and the extent of their awareness about consumer protection.

Null Hypothesis: There is no significant relationship between educational levels of the sample respondents and the extent of their awareness about consumer protection.

The opinions of the respondents regarding the existence of the consumer protection measures have been gathered which are tested here with the application of Log Likelihood Ratio test. This test is used to establish the significance of relationship between any two variables and the test result is shown in Table – 4.

Table – 4 Log Likelihood Ratio Test: Educational Level-wise Degree of Awareness about Consumer Protection Measures

Model Fitting Information			
Model	-2 Log Likelihood	Chi-Square	Sig.
Intercept Only	489.284	278.521***	0.000
Final	210.763		
Pseudo R-Square			
Cox and Snell		0.512	
Nagelkerke		0.538	
McFadden		0.374	
Likelihood Ratio Test			
Effect	-2 Log Likelihood of Reduced Model	Chi-Square	Sig.
Intercept	210.763	0.000	.
Education	489.284	278.521***	0.000

Note: *** indicates 1 per cent level of significance. Source: Computed from primary data.

The test result indicates that the calculated Chi-square value of 278.521 is significant at per cent level, which underscores the strong relationship between levels of education of the sample respondents and the degree of awareness about the existence of the consumer protection measures, which is also underscored by the Cox and Snell Pseudo R-Square value. There is greater awareness among those who are educated upto a minimum of graduation than that of those who are less educated.

Hypothesis Three: There is significant variation in the opinions of the sample respondents about the utility of consumer protection laws.

Null Hypothesis: There is no significant variation in the opinions of the sample respondents about the utility of consumer protection laws.

The nature of buyers and sellers has been undergoing a thorough shift with the arrival of more and more private and foreign players on the one hand, while buying and selling is also taking place in the virtual market, on the other hand. In this scenario, it becomes pertinent to examine the opinions of the sample respondents about the utility of the existing consumer protection measures which is done here with the application of ANOVA by taking the levels of education of the respondents as the reference factor. The test result is presented in Table – 5.

Table – 5 Testing the Variation in the Opinions of the Sample Respondents about the Utility of the Consumer Protection Measures

Variation	Sum of Squares	df	Mean Square	F-value	Sig.
Between Groups	58.965	5	11.793	17.891***	0.000
Within Groups	325.614	494	0.659		
Total	384.579	499			

Note: *** indicates significance at 1 per cent level. Source: Computed from field survey data.

The test result indicates that the calculated F-value of 17.891 is significant at 1 per cent level and thus, the null hypothesis is rejected, which suggests that there is significant variation in the opinions of the respondents about the utility of the existing consumer protection measures in the changing scenario. Those who are educated upto graduation or more, categorically state that the current measures are not useful to protect the present day consumers, while the less educated or illiterate are not quite assertive in their opinions.

FINDINGS OF THE STUDY

The analysis primary data suggests that overall, males account for 61.6 per cent, which is 62.4 per cent in North Chennai and 60.8 per cent in South Chennai, while female form 38.4 per cent of the total sample, which is 37.6 per cent in North Chennai and 39.2 per cent in South Chennai.

The proportion of literates is higher in South Chennai (51.3 per cent) than that of North Chennai (48.7 per cent) and thus, the share of illiterates is higher in North Chennai (68.8 per cent) than in South Chennai (31.2 per cent).

The percentage of illiterates is higher among the female respondents (10.4 per cent) than among the male respondents (3.9 per cent), while the overall level of illiteracy is only 6.4 per cent in the study area, though overall, the proportion of illiterates is quite lesser.

The proportion of respondents who have a minimum of higher secondary is 30.4 per cent in North Chennai, which is 25.6 per cent in South Chennai, while the share of those who have completed at least graduation is 60.8 per cent in North Chennai, which is 70.4 per cent in South Chennai.

The educational level-wise awareness about the availability of the consumer protection measures among the

respondents indicates that there is a direct and positive relationship between the two, since the degree of awareness increases as the level of education goes up. The percentage of awareness is nil among those who are either illiterate or literate upto the high school level, which is 19.8 per cent, 48.5 per cent and 100 per cent in the successive levels of education.

As the age levels of the respondents go up, the extent of their awareness in checking the genuineness of the products declines. For instance, among those who are upto 30 years, 79.7 per cent check either always or frequently, which is 78.1 per cent, 69.1 per cent, 53.2 per cent and 16.7 per cent in the successive age levels.

There is greater awareness about the existence of the Consumer Protection Act among the respondents of those who reside in South Chennai than that of North Chennai.

There is an inverse relationship between age levels of the respondents and their degree of awareness about the existence of the consumer protection measures, since the degree of awareness decreases successively as their age level goes up.

The opinion that the consumer protection measures are not sufficient in the present scenario to protect the consumers is mostly

provided by those who are graduates and higher educated.

There is significant variation in the opinions of the respondents about the utility of the existing consumer protection measures in the changing scenario. Those who are educated upto graduation or more, categorically state that the current measures are not useful to protect the present day consumers, while the less educated or illiterate are not quite assertive in their opinions.

There is no significant agreement among the sample respondents about the sufficiency of the existing laws in protecting the interests of the consumers in today's market place. On the basis of their age levels, the younger respondents are quite assertive in their opinions that the existing consumer protection measures are not sufficient in protecting their rights, with the arrival of big corporate houses into retailing while some of the older respondents opine that the existing measures are sufficient.

CONCLUSION

The above analysis regarding the consumer production, consumer awareness and consumer education are the three pillars for the growth of the economy of any developing country. Therefore, it is emphasized here that a common man must

exercise his rights by following the laws that govern the manufacturing and selling of quality products. The Government at its best can only frame Acts, rules and regulations and sincerely attempt to implement it. But a country like India where there is huge population, illiteracy, poverty and economic disparity, the consumer at the lower end are either afraid to go to consumer forum/court or content themselves with cheap and quality wise poor stuff. This attitude of the consumer must undergo a thorough change and they must help the government by insisting on the effective implementation of the provisions of the Consumer Protection Act. The consumers should not hesitate to go to consumer forums even for a poor quality product though it was purchased at a much lower price. That is why, a consumer is popularly known as 'king'. This should not be confined only to the product but also extended to various services permitted by Government to run it as business. Constructive suggestions in this context should strengthen the existing Consumer Protection Act and make more stringent punishment for the wrong doers.

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