

Consumer awareness about their rights and Grievance Redressal Mechanism: An Empirical Study

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ABSTRACT

Consumer rights awareness is vital to the society and a way to eliminate malpractices by the manufacturer, producers and marketers. The consumer courts conduct grievance handling and strive for a transparent method such that essential commodities and services reach the consumers and keep the service providers as well as manufacturers, marketers at a bay. The Consumer Protection Act, 1986 makes provision for the establishment of consumer councils and other authorities for the settlement of consumer disputes and for matters connected therewith. The present study was conducted to study the consumer awareness about their Rights, Consumer Protection Act and Grievance Redressal Mechanism. The population for the first objective consisted of all the consumers of the Ludhiana city. A sample of 100 consumers was selected on convenience sampling basis. The study revealed that majority of the consumers are aware about the consumer protection act, consumer rights, responsibilities and grievance redressal mechanism. It was seen that most consumers are exploited by the retailer and service provider and many of them seek redressal. Still, there is need to educate the consumer about his rights.

Key words: Consumer Rights, Consumer Protection Act, Grievance Redressal Mechanism, Consumer Awareness, Consumer satisfaction.

INTRODUCTION

In India, increased consumer exploitation could be attributed to the lack of education, poverty, illiteracy, lack of information, traditional outlook of Indians to suffer in silence and their ignorance of the available legal remedies in such cases. These exploitations are in form of unfair trade practices, spiralling prices, adulteration, poor quality products, deceptive packing. The

consumer awareness in India is growing. A product's safety standard and quality are often the buyer's main considerations when making a purchase. Consumer protection has gained great

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importance worldwide. In the age of globalization, consumer protection guidelines and legislation are necessary at the international and national level to ensure the safety of consumers.

The Consumer Protection Act prohibits "unfair trade practice (Sewanand, 2012). For grievance redressal, Consumer Protection Act 1986 provides cheap, speedy and simple redressal to consumers disputes through its three tier quasi judicial machinery. The Consumer Protection Act has established a hierarchy of special courts known as 'Consumer Redressal Forums' for deciding consumer disputes at three levels viz. 'District Forum' at the lower level (up to 20 lakhs), 'State Commission' at state level (more than 20 lakhs to 1 crore) and the 'National Commission' at national level (more than 1 crore). Under this Act, the Consumer Dispute Redressal Agencies are given authority to provide relief to consumers who suffer losses due to defective products (Wadhwa, 2015).

Review of relevant literature

Research revealed that product discontentment among consumers was quite high, but only five out of ten dissatisfied consumers filed complaints and out of these only three were provided any relief. Also consumer awareness regarding consumer protection laws was very low (Dyani, 1989). Singh (1992) found that consumer awareness about consumer protection legislations, was lacking among both the rural and urban population. Chandra and Patel (1994) highlighted that the awareness among students about consumer protection laws was found to be generally low. Bajracharya (1998) observed that consumers in India were more organized than in Nepal and hence the number of consumer organisations here was much larger. Bhashyam (2000) examined the working of District Forums in Andhra Pradesh and the extent of consumer awareness about the provisions of the Consumer Protection Act. Jain *et al*(2008) suggested that the consumer movement in India as of today is quite strong when it is compared with other developing countries in Asia, Africa and Latin America. Consumers are now organising themselves for the protection of their interests and consumer awareness in India is growing (Garg, 2010). Singh and Singh (2011) opined that the consumer is illiterate and innocent and the market is dominated by the sellers leading to exploitation of the consumers in the form of price variation (over charging), adulteration and sub standard products, sub standard weights, measures deceptive mall practices, insufficient consumer guidance, lack of standardized products/ hidden declaration etc. To eliminate these unfair practices a Consumer Protection Act 1986 came into existence. Khurana and Khurana (2012) stated that consumerism/consumer awareness in India is growing day by day. Consumer associations, business associations and government legislations are working to safeguard the interests of the consumers. Consumers are having general awareness in relation to consumer protection. They are well-versed with the term 'JagoGrahakJago' almost in all respect. Quality parameters/standards like ISI, ISO, Agmarks etc. are also not new for them (Sewanand, 2012). Kulkarni and Mehta (2013) revealed that the need for consumer protection arises because of the exploitation of consumer & the denial of consumer' rights in the absence of protective measures.

Objective of the study

To study the awareness about Consumer Rights, Consumer Protection Act and Grievance Redressal Mechanism among consumers.

Research Methodology

The population for the study consisted of all the consumers of the Ludhiana city. A sample of 100 consumers was selected on convenience basis to study the consumer awareness about rights, responsibilities, Consumer Protection Act and grievance redressal mechanism. Primary data was collected with the help of structured and non-disguised questionnaires. In order to satisfy the objective, data was collected with the help of structured non-disguised questionnaire from the 100 consumers. Questions were asked relating to the awareness about consumer rights, responsibilities, Consumer Protection Act and grievance redressal mechanism among consumers. After collection of data, master tables were constructed and analysis of the collected data was done with the help of statistical techniques like percentage, mean scores, test of significance. The respondents were asked to rate their degree of agreement on a scale from 1 to 5 where 1 stands for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree. Mean scores and Standard deviation were calculated and t-test was used to test whether the mean value of sample is significantly different from the assumed mean i.e. the midpoint of the scale.

Findings of the study

The findings of the study have been discussed below.

Demographic profile of respondents

To gain a better understanding of consumer's awareness, perception and preferences, demographic profile of the respondents was analyzed. Demographic profile covered information regarding their gender, age, educational qualification, occupation and demographic area.

Table 1 show that the percentage of male consumers (53%) was only slightly higher than female consumers (47%) which shows that female consumers are equally interested in consumer rights, responsibilities and Grievance Redressal Mechanism awareness. The respondents were categorized into different age groups. It was found that majority of the respondents fall in the age group of less than 30 years (58%), followed by 30-45 age group (29%) and 46-60 years age group (7%). On categorizing consumers on the basis of their education, it was found that 35 percent were graduates, 20 percent were post graduates. The result further revealed that 24 percent and 21 percent were higher secondary and matric pass respectively. The results also showed that majority of the respondents were students (41%), followed by (26%) businessman, followed by (24%) service class and (9%) were housewives.

Table 1: Demographic profile of respondents

Demographic Variables	Frequency	Percentage
Gender		
Male	53	53
Female	47	47
Total	100	100
Age		
Less than 30	58	58
30-45	29	29
46-60	7	7
More than 60	6	6
Total	100	100
Educational Qualification		
Matric	21	21
Higher Secondary	24	24
Graduate	35	35
Post Graduate	20	20
Total	100	100
Occupation		
Businessman	26	26
Student	41	41
Housewife	9	9
Services	24	24
Total	100	100

Awareness of respondents regarding Consumer Protection Act

Table 2 shows the awareness of the respondents regarding consumer protection act.

Table 2: Distribution of respondents according to awareness regarding consumer protection act

Awareness regarding consumer protection act	No. of respondents (N=100)	Percentage (%)
Yes	69	69
No	31	31
Total	100	100

It was found that 69 percent of the respondents were aware about the consumer protection act but 31 percent respondents are not aware about the consumer protection act.

Awareness of respondents regarding Consumer Right.

Table 3 shows the awareness of the respondents regarding consumer rights which includes awareness for different consumer rights like awareness for Right to choose, Right to seek redressal, Right to safety, Right to be heard, Right to information and Right to education. The responses of the respondents show their level of awareness for consumer rights.

Table 3: Distribution of respondents according to awareness regarding Consumer Rights

Awareness regarding consumer rights	No. of respondents (N=100)	Percentage (%)
Yes	70	70
No	30	30
Total	100	100

According to table 3, 70 percent of the respondents were aware about the consumer rights but 30 percent respondents are not aware about the consumer rights. This shows a majority of the respondents are aware about the consumer rights with respect to the awareness level for the consumer protection act.

Further, the respondents were enquired regarding awareness towards specific consumer rights and consumer protection act.

Table 4: Distribution of respondents according to awareness towards specific consumer rights

Consumer rights	No. of respondents (N=100)	Percentage (%)
Right to choose	45	45
Right to seek redressal	15	15
Right to safety	45	45
Right to be heard	32	32
Right to information	59	59
Right to education	55	55

***Multiple choice.**

Table 4 shows the consumers familiarity with the different rights mentioned in the consumer protection act, 1986. There are six consumer rights and it shows that 59 percent of the consumers are familiar with the right to information (R.T.I.), followed by 55 percent of the consumers awareness with the right to education, whereas 45 percent of the population is aware of both the right to choose and right to safety. 32 percent of the respondents are aware of the right to be heard and merely 15 percent of the respondents are found to be aware of the right to seek redressal.

Source of information about Consumer Rights

Table 5 shows the sources of information from which the respondents came to know about the consumer rights.

Table 5: Distribution of respondents according to Sources of information about Consumer Rights

Sources of information	No. of respondents (N=100)	Percentage (%)
T.V.	52	52
Radio	23	23
Internet	62	62
Movies	26	26
Friends and family	42	42

***Multiple choice**

Table 5 shows the source of information from where the consumers get the awareness about consumer rights. It was found that 62 percent of the respondents came to know about the consumer rights from the most popular source of information i.e. internet, followed by 52 percent got information about consumer rights from T.V. and 42 percent of the respondents got the information from friends and family.

Opinion about Consumer Rights awareness

In table 6, the opinion of the respondents was recorded in the form of statements asked from them regarding their views about consumer rights awareness.

Table 6: Opinion of respondents about Consumer Rights awareness (N=100)

Statements	Mean Score	t-value
Awareness regarding consumer rights is beneficial.	3.78	5.584*
Indians have good extent of knowledge of consumer rights.	2.86	1.538 ^{NS}
Indians have good extent of interest in knowing their consumer rights.	3.16	1.683*
Media involvement for consumer rights awareness is sufficient.	3.21	1.969*
Globalisation has increased consumer rights awareness.	3.76	8.239*
Education in masses can improve consumer rights awareness	4.02	11.645*
Urbanites are more aware regarding consumer rights than ruralites.	3.82	7.305*
Special programmes/camps needs to be organised for consumer rights awareness especially in rural areas.	4.02	11.792*

*Significant at 5% level of confidence $t_{table} (df=9) = 2.26$ $\mu=3$
 significant

NS: Non significant

It was found that the statements "Education in masses can improve consumer rights awareness" and "Special programmes/camps needs to be organised for consumer rights awareness especially in rural areas" has highest mean of 4.02 and were found to be most effective in improving consumer rights awareness among masses, followed by "Urbanites are more aware regarding consumer rights than ruralites", "Awareness regarding consumer rights is beneficial" and "Globalisation has increased consumer rights awareness" with mean scores of 3.82, 3.78, 3.76 ,respectively. But it was observed that the statement "Indians have good extent of knowledge of consumer rights" is not a helpful statement in consumer rights awareness as this is non- significant to the assumed mean as it's calculated mean is only 2.86. Further, it was found that all the statements except "Indians have good extent of knowledge of consumer rights" were found to be significant at 5% level of significance.

Use of the Consumer Rights

Table 7 shows the use of consumer rights by the respondents.

Table7: Distribution of respondents according to their use of the Consumer Rights

Use of the Consumer Rights	No. of respondents (N=100)	Percentage (%)
Yes	78	78
No	22	22
Total	100	100

Table 7 shows the use of consumer rights by the respondents in case of any malpractice or exploitation. It was found that 78 % of the respondents have practiced consumer rights whereas 22 % have not used the consumer rights. This also explains that majority of the respondents use their consumer rights in case of any exploitation.

Further, the respondents were asked which consumer rights they needed to use and why.

Table 8: Respondents usage of the different consumer rights

Patterns of Usage of different Consumer rights	No. of respondents (N=78)	Percentage (%)
Right to safety	8	8
Rights to education	20	20
Right to be heard	8	8
Right to seek redressal	10	10
Right to choose	9	9
Right to information	25	25

***Multiple choice**

According to table 8 the usage pattern of the different respondents w.r.t. the usage of the consumer rights if they use it in case of exploitation or malpractice is there in the market as per there need of usage. It was found that consumers use right to information and right to education more with 25% and 20% usage respectively.

Invoice/Bill receipt by the respondent in case of purchase of the commodity

Table 9 shows the receipt of bill in case of purchase of the commodity by the respondent.

Table 9: Distribution of respondents according to the receipt of Invoice/Bill in case of purchase of the commodity

Receipt of Bill/Invoice for the purchase of the commodity	No. of respondents (N=100)	Percentage (%)
Yes	70	70
No	30	30
Total	100	100

Table 9 shows that 70% of the respondents take the bill/invoice copy in case of purchase of the commodity where as 30% of the respondents don't take bill while purchase of the commodity. Further, the responses were enquired whether they kept bills, warranty and guarantee cards for future use.

Table 10: Distribution of respondents according to keeping of the bills, warranty and guarantee cards for future use

Bills, warranty and guarantee cards	No. of respondents (N=100)	Percentage (%)
Yes	81	81
No	19	19
Total	100	100

It was found that 81% of the respondents keep the bills, warranty and guarantee cards safe for the future use whereas 19% respondents don't keep the bills, warranty and guarantee cards safe for the future use.

Exploitation of respondents as a consumer

Table 11 shows the exploitation of the consumers by market vendors, service providers and manufacturers etc.

Table 11: Level of exploitation as a consumer

Level of exploitation as a consumer	No. of respondents (N=100)	Percentage (%)
Yes	60	60
No	40	40
Total	100	100

Table 11 shows that nearly 60% of the respondents are exploited out of 100, which is a huge number.

Sources that lead to exploitation

Table 12 shows different sources of exploitation with the consumers which can be from source via internet purchase, retailer purchase or exploitation by the service provider.

Table 12: Distribution of respondents according to the sources that leads to the exploitation of the consumers

Sources of exploitation	No. of respondents (N=100)	Percentage (%)
Internet	38	38
Retailer	54	54
Service provider	51	51
Door to door sales personell	41	41

****Multiple choice***

According to table 12, 54% of the respondents are exploited by retailers, followed by 51% exploited from service providers, also 41% are exploited from Door to door sales personnel and 38% are exploited while purchasing from the internet.

Filing of case for redressal

Table 13 shows whether the consumers file a case in the respective courts in case of any exploitation to get their complaint redressed.

Table 13: Distribution of respondents according to filing of case for redressal

Filing of case for redressal	No. of respondents (N=100)	Percentage (%)
Yes	40	40
No	60	60
Total	100	100

Table 13 shows that 40% of the respondents only file the case for redressal in case of any consumer rights violation and a huge amount of 60% of them don't file a case for redressal in case of exploitation, the basic reason being lack of proper administration, slow process, pending cases, costly and time consuming process.

Satisfaction with the rights under consumer protection act, 1986

Table 14 shows the satisfaction level of the respondents with the rights presently stated in the consumer protection act, 1986.

Table 14: Distribution of respondents according to satisfaction with the rights under consumer protection act, 1986

Satisfaction with the rights under consumer protection act, 1986	No. of respondents (N=100)	Percentage (%)
Yes	58	58
No	42	42
Total	100	100

It was found that 58% of the consumers are satisfied with the rights under consumer protection act, 1986 whereas 42% of the respondents still think they are not satisfied with the rights under consumer protection act, 1986.

Creating awareness among consumers about their rights

Table 15 shows responses from respondents regarding creating awareness among consumers about their rights.

Table 15: Distribution of respondents according to methods of creating awareness among consumers about their rights

Creating awareness among consumers about their rights	No. of respondents (N=100)	Percentage (%)
Online campaigns	30	30
Government initiatives	59	59
Seminars	73	73
Speedy redressal	17	17
Media involvement	43	43
Courts	6	6

***Multiple choice.**

Table 15 shows that 73% of the respondents think awareness about consumer rights can be created through seminars, through government initiatives (59%), through media involvement (43%) and through online campaigns (30%).

Redressal against consumer rights violation

Table 16 shows whether the consumers seek redressal against consumer rights violation.

Table 16: Distribution of respondents according to seeking of redressal against consumer rights violation

Seeking redressal against consumer rights violation	No. of respondents (N=100)	Percentage (%)
Yes	78	78
No	22	22
Total	100	100

According to table 16, 78% respondents are of the view that they will seek redressal by using consumer rights in case they gets exploited in the future whereas 22% are of the view they would not like to seek redressal.

Further, the respondents were enquired the reasons for not going for grievance redressal procedure in case of exploitation.

Table 17 shows the reasons because of which the respondents may not go for grievance redressal procedure in case of exploitation.

Table 17: Distribution of respondents according to reasons for not going for grievance redressal procedure in case of exploitation

Reasons for not going for grievance redressal procedure in case of exploitation	No. of respondents (N=100)	Percentage (%)
Costly	24	24
Waste of time	51	51
Slow	75	75
Inadequate administration	56	56
Lack of government support	58	58

***Multiple choice.**

Table 17 shows that respondents will not go for grievance redressal as 78% think it is a slow process, 58% think due to Lack of government support, 56% think due to Inadequate administration and 51% think it is a waste of time.

Awareness about consumer courts

Table 18 shows the awareness of the respondents about the consumer courts.

Table 18: Distribution of respondents according to awareness about consumer courts

Consumer courts awareness	No. of respondents (N=100)	Percentage (%)
Yes	61	61
No	39	39
Total	100	100

Table 18 shows that 61 % of the respondents are aware about the consumer courts whereas 39% are not aware about the consumer courts.

Need to educate people regarding grievance redressal mechanism

Table 19 shows the response of the respondents regarding need to educate people regarding grievance redressal mechanism.

Table 19: Distribution of respondents according to need to educate people regarding grievance redressal mechanism

Need to educate people regarding grievance redressal mechanism	No. of respondents (N=100)	Percentage (%)
Yes	85	85
No	15	15
Total	100	100

Table 19 shows that 85% of the respondents feel that there is a great need to educate people regarding grievance redressal mechanism whereas 15% think there is no need.

Conclusion

In India, the need for consumer protection is paramount in view of the ever increasing population and the consequent need for many goods and services. So, there is a greater need for consumer awareness regarding his rights, responsibilities and grievance redressal mechanism. The government needs to develop policies for consumer satisfaction and welfare. Hence it is necessary to understand their problems and provide solutions. Consumer rights awareness is vital to the society and a way to eliminate malpractices by the manufacturer, producers and marketers. The study revealed that majority of the consumers are aware about consumer rights, consumer protection act and grievance redressal mechanism. It was seen that most of the consumers are exploited by the retailer and service provider and many of them seek for redressal system. Still, there is need to educate the consumer about his rights using various methods like seminars, government initiatives, mass media like T.V., newspaper, online campaigns etc.

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