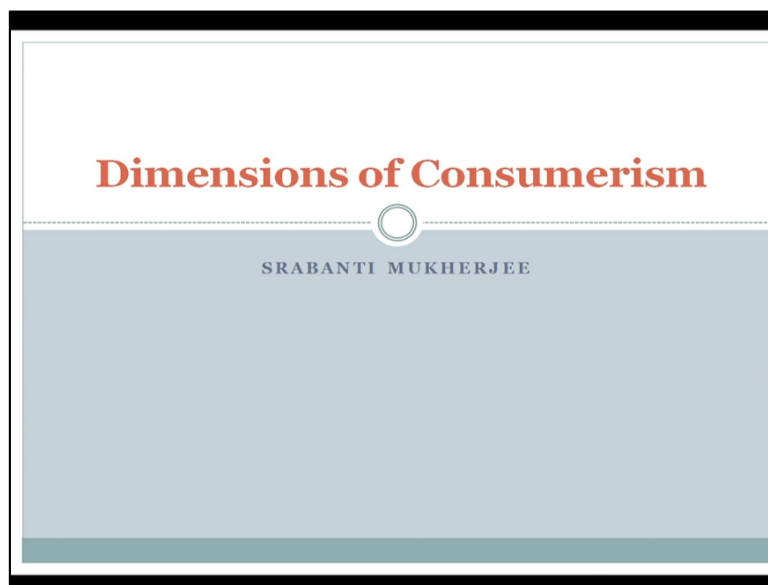


Consumer Behaviour
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Module No. #01
Lecture No. #03
Dimensions of Consumerism

So, Welcome to the Third Session. And, this Session is little bit on, some Legal aspects of Consumer Behaviour.

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And, we call it, Dimensions of Consumerism.

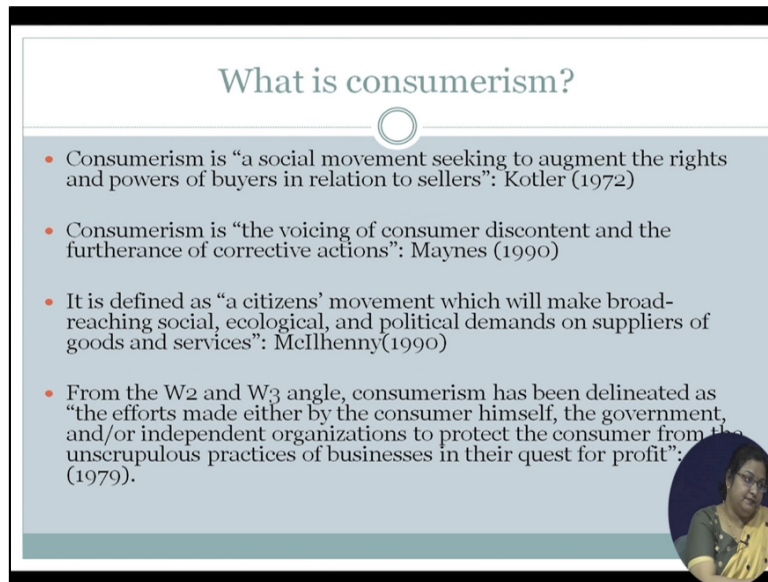
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So, in this Module, we will cover primarily, Four major aspects. One, is the concept of

Consumerism. What does it mean? Secondly, is the issues related to Consumerism. When we should be concerned? And, when we should not be? Third, is the threats of Child Consumerism, and its implication, particularly in India. And, Consumer Protection Act, in 1986.

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What is consumerism?

- Consumerism is “a social movement seeking to augment the rights and powers of buyers in relation to sellers”: Kotler (1972)
- Consumerism is “the voicing of consumer discontent and the furtherance of corrective actions”: Maynes (1990)
- It is defined as “a citizens’ movement which will make broad-reaching social, ecological, and political demands on suppliers of goods and services”: McIlhenny(1990)
- From the W2 and W3 angle, consumerism has been delineated as “the efforts made either by the consumer himself, the government, and/or independent organizations to protect the consumer from the unscrupulous practices of businesses in their quest for profit”: (1979).

So, to begin with, we start defining, the Concept of Consumerism. So, Kotler in 1972, he has defined Consumerism, as a social movement, seeking to augment the Rights and Powers of the Buyers, in relation to Sellers. So, for any deceptive practice of the Sellers, the Buyers have the right to assert themselves, and exert their opinions. Maynes in 1990, has gone a little bit forward, and he has said, that Consumerism is the voicing of the Customer’s discontent, and the furtherance of corrective actions.

So, which means, when the Customers complained about different products, because maybe, they have got some defective products, or they have not got any service, which was promised to them. And, what kind of corrective actions are possible for, against these complaints. So, the third one is, McIlhenny, again in 1990, he has defined Consumerism, as citizen’s movement, which will make broad reaching, Social, Ecological, Political demands, on Suppliers of goods and services.

From, W2, and W3 countries, angle. Again, W2 is the developing countries. And, W3 is the underdeveloped countries. So, W2 has, i have said in the last module, you are, just those who have missed that, i will just in short tell that, W1 are the countries, that is the developed countries like UK, several European countries. We talk about, W2 countries. W2 countries are

the developing countries, which are upcoming, basically like India, or China, and this kind of countries.

W3 are underdeveloped countries, like several sub-Saharan, African countries. Then, Haiti, Bangladesh, and these kind of countries, mainly. So here, from those angle of developing and developed countries, Consumerism has been defined, as the efforts made, either by the Customer himself, or by the Government, or Independent Organisation, to protect the Consumer, from the unscrupulous practices of Businesses, in their quest for Profit. This has been defined by Onah, in the year 1979.

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So, what are the issues, pertaining to Consumerism? When we should be, concerned of? The first one is, how the products and wealth, which we are buying, or which we are getting, how those has been created? The recent controversy, if you remember, the recent controversy is related to Maggi Noodles. And, in Maggi Noodles, the basic problem was, the contentment of Monosodium Glutamate, as an ingredient.

And, that was not stated, as an ingredient. But, it was Maggi packets, it was proved that, the Maggi packets are containing, the Monosodium Glutamate, which may cause, Carcinoma. So, this kind of problems could be there, where you have not stated, what is exactly the invariant of your product. But, that product might be harmful. Then, is there any negative impact of the process of the production, on the Environment, Society, and Individual.

For example, overuse of Pesticides, in the Agricultural Farms, or in the Agricultural Produce,

may actually create a disaster for the Society. Even sometimes, the Farm, the Factory waste, and all these things, are disposed in the River water, the Ponds, and the Land. And, it has been, just as Landfills. So, that also creates, some kind of hazards, in the Customers Health. And, not exactly Customers Health, but you will say, that the Health of the Society in general, those who were not even our Customers.

So, these kind of problems may occur. And, any times, our form of consumption, can also threaten the Society, and the Individuals. So, our form of consumption means, suppose, we are not using a proper Fuel, for the Autos and all. And then, we are using some contaminated oil for, and that is creating Carbon Monoxide Gas, in the Environment. That is also, a kind of creating hazards for. The way, we are consuming the Fuel, that is also creating problem, for the Society.

So, that is also consideration, when we talk about the Customer's protection, or the Society's protection. Over use of anything, in the products. For example, are we purchasing the food, or any other thing for our necessity, or simply for our lavishness. If we remember, that even in the marriage cards, sometimes, we see that, it is printed, that the invitations have been made, as per the rule, as per the ration rules, or as per the Government rule.

Which means, there is certain restrictions, of the number of invitees also. Because, there is a necessity to call people, as an evidence of the marriage, or to celebrate the marriage. But, of course, it should not be resulting in lavishness, spoil of food, wastage of food. Because, food again, is a scarce product. So, this kind of consciousness, also needs to be there.

Because, otherwise this is again like, you are over using the, or wrongly using the products of the Society, and depriving others, to get it in the proper price. And then, we also need to know that, to what extent, our consumption basket is influenced, by advertising strategy of the Marketers.

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So, specially, when we talk about the Consumerism in the developing countries, particularly, since we are in India, a developing country, our main concern is about, the Consumerism in the developing countries. So, there was a study of Thorelli, in 1990, which she has made on the attitudes towards the Consumerism, in poor developing countries, Singapore, India, Nigeria, and Kenya. This study, is very worth mentioning.

Because, this study, scans the present extent of Consumerism, in these countries, and judges them, against the underlying dimensions of Marketing strategies. These countries, symbolise two different countries, as such. We can see that; India is from Asia. And, then again, Nigeria, Kenya, if you see, that is from Africa. And, the study provides an interesting facet of evaluating the Customer behaviour, of the pattern of Consumerism, from two different countries perspective.

So, according to the study, the Consumerism in developing countries, arises out of mainly, three different reasons. Actually, in developed countries, it arises particularly, because of overly promoting the products. Or, mainly overly promoting the products, are more well in the hand of the Customer. So, that is why, they try to consume more. But, the developing countries, the perspective is little different. Developing countries perspective, is lack of quality control, of locally manufactured products.

Poor logistic services. And, the vendors, those who are selling the counterfeit products, they are actually not very careful about, the quality of the adulterated product. And, what could be the implication, on the Customers. Many times, we are seeing, the cloning of the products,

like Nescafe. Some cups, where it is written, Nice cafe. Which is not, Nescafe. But, it is sounding, very similar to Nescafe

So, this is the kind of cloning, which is happening, which gives the Customer the understanding, that it might be Nescafe, but which it is not. So, this is the way also, the Customer to some extent, they fail to understand, what the brand is exactly. Whether, it is an actual brand, or it is a clone brand. So therefore, Consumerism in most of the W2 and W3 countries, is precisely subject to Government Policy and Legislation, where Government has to actively control, this kind of things.

In particular, sometimes, even you know, there are counterfeit and adulterated products, in the local trends. Many times, it is shown that, you know, the hawkers, they are saying that, we are selling Scotch-Brites. Three or Four, the similar looking products, and those are sold in Rs.10, and sold. But, these are not at all Scotch-Brites. These are actually, counterfeit products. And, the Customers are, actually deceived. Because, they may not be aware about, you know, the packaging and all this.

And, they had basically. They might feel, that it is almost a similar product. But, this product, with Scotch-Brite, may not be of similar quality. So therefore, this requires a Legislative intervention, or a Policy intervention, from the Government side. So, that is why, we say that, you know, in the most of the W2, and W3 countries, this Consumerism, or Consumer's protection, is a subject of Government Policy and Legislation. In particular, it is a proficient enactment of the Government Policy.

It is not only the policies, which will help, but also the enactment of the policy, which can help. Because, protecting the Customer's passive right is also, you know, the policy is there. You know, in several public places, they should not be consuming cigarettes, and all these things. But, we find that, it is still being done. So therefore, it is not only the rules, but it is also the enactment of the rules. How you implement the rules? What kind of public support system do you have, to implement the rules, is more important.

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Marketers' Response to Consumerism

- Consumerism is a prospect for those corporate managers who are able to spot and foresee the consumer's needs and wants.
- Explicitly, the corporate needs to identify those groups of people who really need, use, and purchase their products directly.
- Consumer-oriented marketing also calls for checking of pricing strategies by the companies and finding out their relevance and appropriateness to general consumers.
- It also involves the process of scrutinizing the effectiveness of the existing distribution channel. These tests are performed to assess a particular store's aptness to carry a product title.
- In this era of "customer is the king", all distribution strategies are pinpointed towards the lone goal of selling multiple assortments from multiple touch points to intensify the business

Now, and also, how the Customers are responsive, to this kind of things. If there is any counterfeit brands, if there is an adulterated brands, if you are knowing this, how many times, we are really raising complains, raising our voices, against this. If not, then this practice is going to continue. So, you know, it is not only the Legislative part of the policy aspect, but also, how this policy is enacted. How the Customers are proactive or assertive, to actually protect their own rights.

So, but the Marketers, on the other hand, what they can do, if there is an upsurge of Consumerism, too much of purchase of goods, aggressive Marketing, promoting the products by aggressive Marketing. And, that increases, the purchase of the brand. So, in those cases, what the Marketers can do is actually, they can find out different latent needs and wants, and accordingly, they can promote the products, of course in a Legal way.

So explicitly, the corporate needs to identify those groups of people, who really need, use and purchase their products, directly. Consumer oriented marketing also, calls for checking the pricing strategies, by the companies, and finding out, what kind of pricing would be relevant and appropriate, to the general customers. It also involves, the process of scrutinising the effectiveness, of the existing distribution channel.

Whether, i am going for a legally perfect distribution channel. Or, whether i am practising any kind of illegal distribution. Or, i am doing some kind of grey Marketing, and doing some kind of black Marketing of the products. Whether, or unnecessarily, i am storing the product, and indulging black Marketing. Whether, i am doing those kind of practices or not. So, those

things has to be of utmost care, by the Marketers.

Now, in this era of Customer is the king, all distribution strategies are actually pin pointed, towards the lone goal of selling multiple assortments, from multiple touch points, and intensify the business. But, at the same time, we should take care, that we are not making, too tall claims about our product. We are not making false claims, about our products.

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The another very important aspect, to be discussed in terms of Consumerism, is the concept of Child Consumerism, which is presumed to be a veritable threat, to the Society. Child Consumer, like in a study of a Child Psychiatrist like, Dr S M Manohari, here say, that the parents these days, are using Television, as an Electronic Babysitter. And, they bribe them, by Toys, Steve Scene in Ads, to get Children, to behave properly, eat and, sometimes for eating, sometimes cooperating them, in several activities.

So, Children get into a rut of wanting things, all the time. The intruding consequence of advertising on small Children, is for all to see, says Manohari. And, she says that, they learn, what they see. Advertisements rather, also encourage Children, to be faecal in their loyalties. They do not develop a long lasting value system. And, they mature also, in a very skewed pattern.

Another most shocking consequence, which we can see it sometimes, particularly for the poor families, because of overly media exposure, overly advertising of the products, Children start you know, even for the poor families, they demand different kind of brands. But which,

their parents cannot afford to buy them. And, the shocking consequence is that, sometimes in the newspaper reports come up, that they even, they have got indulge in several criminal activities, or they have committed suicide, also.

So, these are some of the shocking things, which are coming up. And, there should be some policy implication, how to control this kind of things. Now, the situation is not very different, in developed, and developing countries. But, what is different is that, the way that things are tackled, in developed and developing countries. In developed world, they have already woken up to this occasion. Particularly US, they have from since 1970's, they have woken up on this issue.

UK has also control, certain TV commercial, especially those, which are targeted to the Children. Sweet, and particularly, they have said that, targeting Children below 12 years, by any commercial, is being prohibited. So, this kind of actions, they are coming up with. In our country, actually so far, such kind of things, such provisions, were not there. But, of course, we have to think, whether we should allow this type of Consumerism, to shape the destiny of the young Children.

Because, even we have seen that, a recent survey by Synovate India, carried out by Cartoon Network. Actually, it was carried out by Cartoon Network, in collaboration with Synovate India. And, it has shown that, you know, Children actually spend around, 291 crores on, as their pocket money. And, in 14 cities, they have covered the survey, which is around more than 1000 Children, across the country, they have covered, who were watching Cartoon Network.

And, it was being shown, that even for 84% families, the Children are taking part in the purchase of say, a big purchase like, say Television sets, Cars, Mobile Phones. They are placing their opinions for that. And, they are exerting their Pester Power, towards certain brands also. So, we should think of, what kind of destiny, we are going to shape for our Children. Though, and whether they are getting mature, too early, or not.

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Consumer Protection Act, 1986

The Consumer Protection Act, 1986 (Act no. 68 of 1986) is a signpost in the history of socio-economic legislation in the nation.

The key object of this latest law is to endow the consumers with better safety and security by offering uncomplicated, prompt, and economical remedy to aggrieved consumer.


So, one provision, to protect Customers from Marketer's deception, is the Customers Protection Act, in 1986. So, Act number 68 of Consumer Protection Act 1986, is a signpost in the history of, Socio-Economic Legislation, of the Country. The key objective of this latest Law, was to endow the Customers, with better Safety and Security, by offering a simple, Prompt, and Economical remedy, to the Aggrieved Customer.

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How to file complaints?

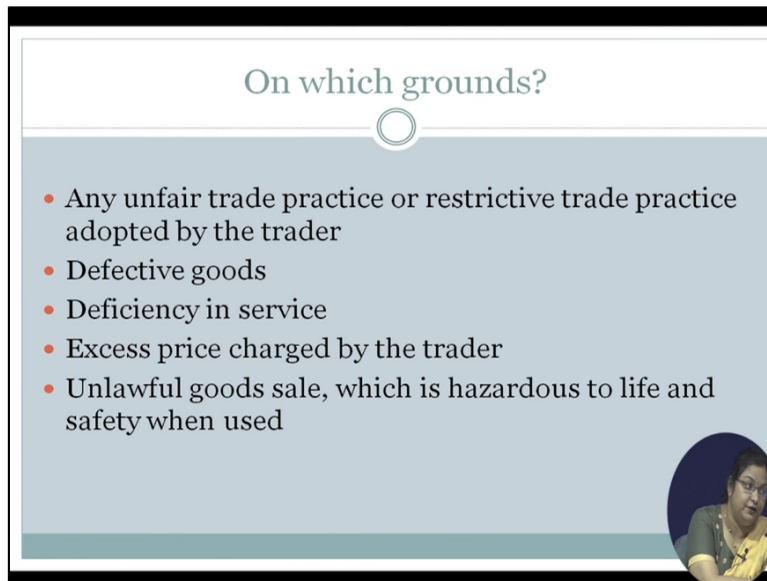
A complaint, either handwritten or typed on a plain paper, can be filed by a consumer, a registered consumer organization, central or state government and one or more consumers identified by common concern.

In this processing stamp or court fee is not required.



So, how to file complaint against, for Consumer's protection. So, a complaint, either by handwritten, or in typed format, on a plain paper, can be filed by a Consumer, a registered Consumer Organisation, Central or State Government, one or more Consumers, identified by common concern. So, one Customer can also complain, or a Group of Customers, or through any NGO's, or some Consumer Forum also, they can complain. So, this kind of complaints, does not require, any kind of stamp or court fee.

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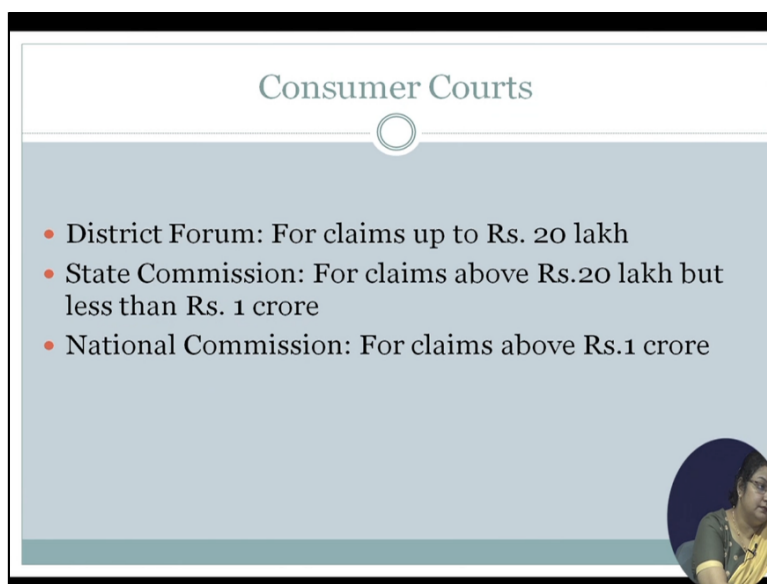
On which grounds?

- Any unfair trade practice or restrictive trade practice adopted by the trader
- Defective goods
- Deficiency in service
- Excess price charged by the trader
- Unlawful goods sale, which is hazardous to life and safety when used

Now, on which grounds, you can complain. It is not that, for all grounds, you can really complain. It is mainly, because of unfair trade practices. Like, i have already said, that you are counterfeiting the brands. So, are making false claims about the brands. Some restrictive trade practices, adopted by the trader. Or, anything of this kind, you are doing.

For defective goods sold to the Customers. Service, which was being promised, has not been delivered there. Excess price charged by the traders. Unlawful sales of the goods, which is hazardous to life. Like, we can say that, Gudka, which is already been banned. So, whether that is being sold or not. So, those kind of things.

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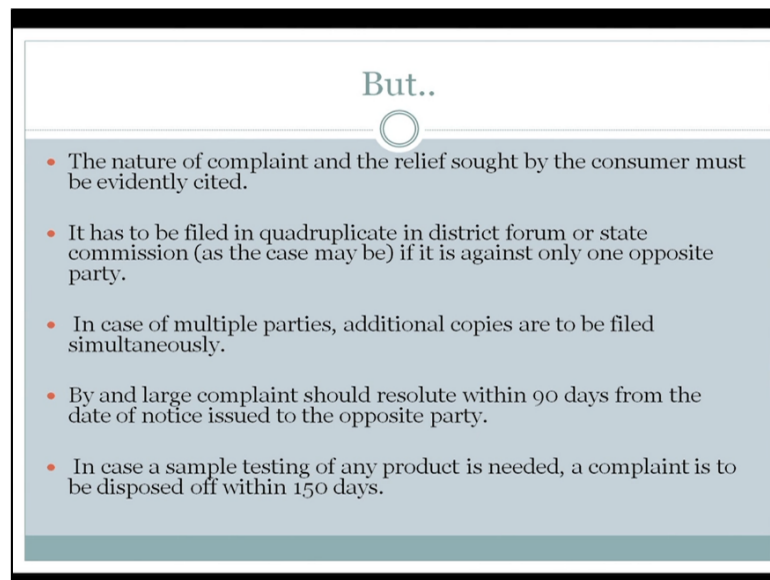
Consumer Courts

- District Forum: For claims up to Rs. 20 lakh
- State Commission: For claims above Rs.20 lakh but less than Rs. 1 crore
- National Commission: For claims above Rs.1 crore

Now, there are three kind of forums, where the Customers can complain. First one, is the

District Forum. So, where for the claims up to Rupees 20 Lakhs, the Customer can complain. State Commission. Here, the complains could be launched for, up 20 Lakhs to 1 Crore damage. So, if you are claiming, any damage claim, you can claim from Rupees 20 Lakh to Rupees 1 Crore, in State Commission. And, when your claim is more than 1 Crore, we should go for, National Commission.

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But, here one thing, we should take care. It is not that, the customer in each and every case, they can file a complaint. And, that would be entertained. The marketer's interest, should also be protected. So, that is why, whenever a complaint has been launched, and when they are seeking for any relief, the customer should cite, whatever complain they are making, they should have cited with, proper evidences.

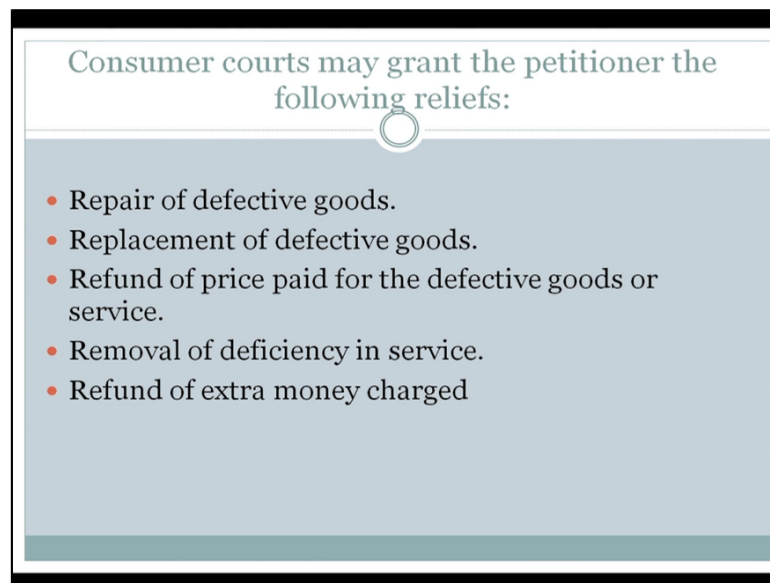
For example, if i am saying that, the fairness cream, which has promoted, that it is good. And, it has created, some harm to my skin. Then, i should come up with a proper Medical report, my Purchase slip, my proper Medical report, and any other evidence possible, in support of my complaint. Then, it has to be submitted, in quadruplicate, in District Forum, State Commission, and also to the opposite parties.

And, in case of multiple parties, additional copies are to be filed simultaneously. And usually, these complaints are to be resolved, within 90 days, from the filing of the complaint. But sometimes, you know, some sample testing may be required. For example, i am saying that, any Fairness Creams, which has said that, in 14 Days, or you know, in 1 Month, i will be very fair. But, while using it, i have some skin problem, or some consequences.

So, that time may be, it is required to test the folder, the container, or the product itself. So, in that case, the sample testing may be, for example, Maggi. Maggi, when there was any complaint against it, so that time, there was obviously the lab testing of Maggi, whether there is really Monosodium Glutamate, in the packets or not. It is not only about the case of Maggi. Earlier, it has happened with soft drinks also, like Coca Cola. It has also happened, with some kind of the packaging issues, about Cadbury's.

So, this kind of problems, has occurred, about several brands. They have come out of this kind of complaints, by coming of the set of good packaging, or a good better product design. Or, maybe sometimes, like Maggi, they have actually now passed the quality control, in several labs. And, it is back in the Market, with several other ingredients. So, in those kind of cases, anyway, when sample test is required, the time given, to solve this, is usually 150 days.

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So therefore, we can say, in an action, that a Consumer courts can grant reliefs to the petitioner, on this grounds. So, if we just see, from which ground, they were asking for complaints. They were asking for, unfair trade practice, defective goods, deficiently of service, excess price or unlawful sales, which is hazardous. So, the remedy is also, in that line. Remedy, you can ask for the repair of the defective goods. Sometimes, you may ask for replacement of defective goods, if it is not possible to repair.

Then, refund of the price paid, for the defective goods or service. For example, Agarwal Packers, they while transporting, if you can really prove that, during the transport, some items

has been spoiled, or broken, or something, they also ensure the products. And accordingly, they pay some refund amount, which has been agreed upon refund amount, between the Customer and the company itself, as a loss claim, or the damage claim, they pay.

So, that is there. Then is, any service deficiency, if it is there, you have to remove it, and you have to provide the proper service. And, in case, any extra money has been charged, that has to be given back to the Customers. So, in short, this is the concept of Consumerism. We have started here, with the concept, what means Consumerism. Second, we have covered, what are the issues, which we should be concerned about, the Consumerism.

Then, the aspect of Child Consumerism, and how different countries are handling it. And then, we have talked about, the provisions in the Customer Protection Act, which can help actually the Customers, to resolve their grievances, against some company. So, this much about the aspects of Consumerism, and our Third Module. So, thank you so much. And, we will come back, with our Next Module, very soon.