

Consumer Awareness

Economics

The Need for Consumer Awareness

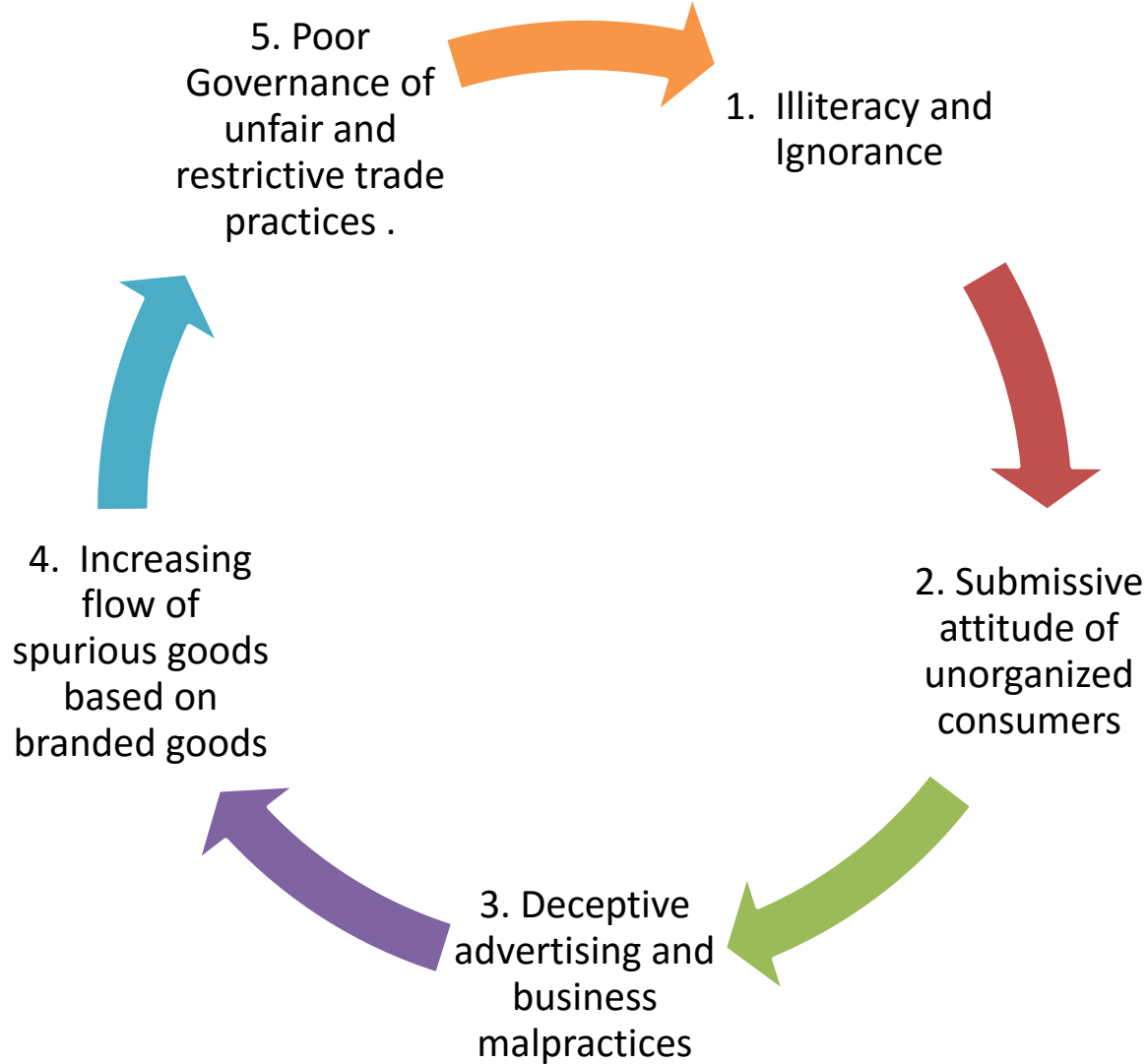
1. Consumers have a critical role to play in Demand of goods and services in a free Market economy. Their demand determines the increase and decrease in the production of the goods and services.

- Laws, Rules and Regulations are needed to protect the consumer because the market tends to emphasise on profits more than providing of quality goods and services to the consumer.

2. The Consumer Protection Act 1986, defines a consumer as “any person who buys goods and services by making full or part payment for those goods and services without any object of using them for commercial purpose”.

3. Consumers are often exploited through false representation of quality or standard of the product or service, marketing of used goods as new, misleading about usefulness of the product, inaccurate weights or measures , imitation products , offer of free gifts with the product, sale of product after expiry date, selling it at a price higher than Maximum Retail Price.

Reasons for exploitation of consumers



Growth of consumer awareness

5. International Influence: Four basic rights of consumers – right to choose, right to information, right to safety and right to be heard were recognized in 1962 in the USA. 15th March has been declared as the World Consumer Rights Day. UN has published guidelines for consumer protection

1. In 1960s due to shortages, many goods were heavily adulterated and were of poor quality. Consumers began demanding better quality

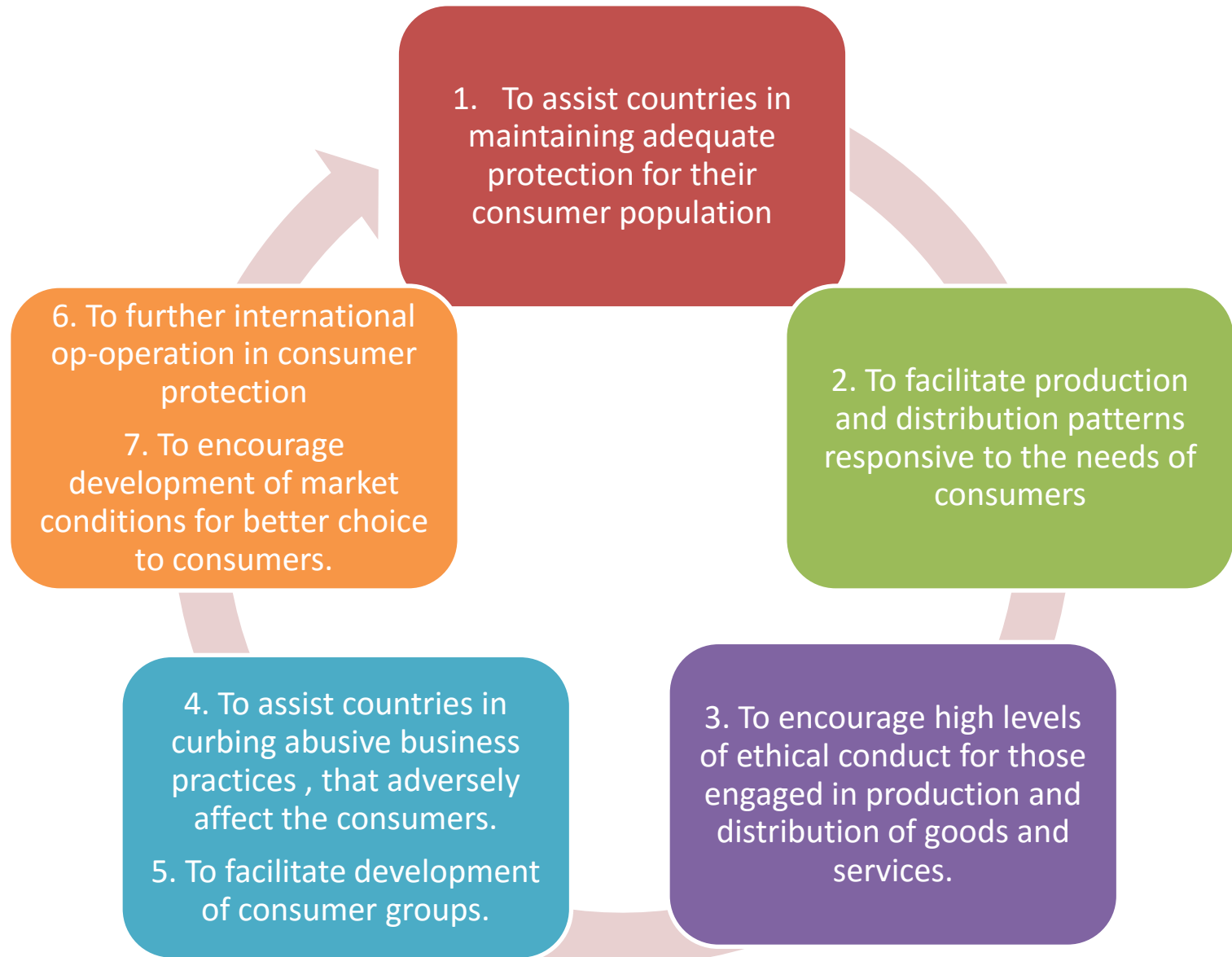
4. In 1990s, with liberalisation and Globalisation, sellers markets were replaced by buyers markets. Such a change meant that the dominance of consumerism would raise the quality of goods, and benefit the consumer in multiple ways

2. In 1970s consumer awareness was generated through articles in print media, and several consumer societies were formed against malpractices in ration shops and overcrowding in public transports

3. In 1980s Consumer Education and Research Centre, Ahmadabad, Consumer Unity Trust Society, Jaipur, Consumer Guidance Society, Mumbai, Common Cause, Delhi, Consumer Voice Delhi, Indian Federation of Consumer Organization New Delhi were formed.

In 1985, Consumer International was constituted as an umbrella organisation of 240 organisations from over 100 countries. Its offices are in London, Kuala Lumpur and Santiago

United Nations Guidelines for Consumer Protection to achieve the following objectives



Indicators of active consumers

1. Greater awareness of their rights and obligations.
2. Consumers demand proper bill before payment.
3. Consumers check for quality mark and judge the quality before purchase. In India, Hallmark is the standard for quality of gold , ISI mark is for various goods, Agmark is for all food and agro based products.
4. Consumers check the warranty period / expiry date of product, along with price tag.
5. Consumer awareness in schools

Others : Legal Measures and Importance of awareness

1. Prevention of Food Adulteration Act, 1954, covers measurement of food standards, analysis of samples for testing. It is implemented by the State Governments.

- 2. Food Safety and Standards Act, 2006, is to check food adulteration, and consumers awareness is essential in this regard.

3. Adulteration is easiest in milk and milk products, all spices, grains, chemical colour in vegetables and fruits.

- Consumers should test such products for adulteration through simple devices available, and assert their right to cash memo and receipt for every product they purchase.

Consumers should not be lured by the bright colours in the edible products, and raise their voice through the Right to Information , 2005 and Consumer Protection Act 1986.