



ACADEMIC YEAR 2024-2025, SEMESTER – IV  
STUDY MATERIAL FOR B.COM  
CONSUMERISM & CONSUMER PROTECTION



STUDY MATERIAL FOR B.COM  
CONSUMERISM & CONSUMER PROTECTION  
SEMESTER – IV



ACADEMIC YEAR 2024-25

PREPARED BY

COMMERCE DEPARTMENT



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**Unit – I**

**Consumerism**

**Introduction**

Consumerism is the idea that the excessive consumption of goods and services is economically desirable and a key to individual well-being. It's also the tendency to buy and own more things, and to define one's identity through what they own.

Consumerism is driven by the market economy, advertising, and mass media. It influences people's purchasing power and desires for products, including those related to health care.

In economics, consumerism is seen as a force that creates drastic spikes in purchasing. Economists view consumerism as a positive for consumer spending and GDP growth. Consumerist societies measure their economic success through their gross domestic product (GDP), and consumer spending effectively increases that number.

Consumerism has grown exponentially since the Second Industrial Revolution of the early 20th century, when the American middle class emerged with a disposable income for the first time.

**Meaning**

Consumerism refers to a societal and economic order driven by the acquisition of consumer goods. Essays on consumerism can delve into its historical evolution, its impact on the economy, the environment, and societal values.

Modern Consumerism Started with the Industrial Revolution. During the Industrial Revolution, the manufacturing of material goods expanded beyond consumers' fundamental necessities, resulting in the North American consumerism phenomenon.

**Definition**

Platforms that prioritize these expectations are the ones best positioned to navigate this new age of conscious consumerism.—Kate Hardcastle

This generation's unique relationship with technology, peer influence and social shopping is creating a new wave of consumerism that will shape the future.—Casper Ravn-Sorensen.

**Meaning of Consumer and Customer**

A consumer is a person who consumes a product or service. The word consumer is often used interchangeably with the word customer. This is not entirely accurate. A customer is a person or organisation that purchases goods or services.



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A consumer is a person or a group who intends to order, or use purchased goods, products, or services primarily for personal, social, family, household and similar needs, who is not directly related to entrepreneurial or business activities.

A customer is a person or business that buys goods or services from another business. Customers are crucial because they generate revenue. Without them, businesses would go out of business.

Finally, a customer is an organization or individual who purchases a product or service with the motivation to resell, gift, or use it. A customer always makes a payment. A consumer is anyone that uses a product or service, but they don't always pay for it.

The main difference between a customer and a consumer is that a customer buys a product or service, while a consumer is the person who uses it. The other differences are

- **Who buys**

A customer is the person or organization that purchases a product or service, while a consumer is the person who uses it.

- **Who uses**

A customer may or may not be the end user of a product or service, while a consumer is always the end user.

- **Who re-sells**

Customers often resell products, while consumers rarely do.

- **Who buys in bulk**

Customers may buy products in bulk for commercial purposes, while consumers buy for personal use.

- **Who receives discounts**

Customers may receive discounts if they buy wholesale or if the seller offers a deal, while consumers may receive discounts if the business is running a promotion.

- **Who forms relationships**

Clients usually form lasting relationships with professionals or companies, while consumers are often considered end users.

### **Consumer movements**

The consumer movement is a social movement that advocates for the rights and welfare of consumers. It's led by consumer organizations and individuals who work to protect consumers from corporations and governments that violate their rights.



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The consumer movement raises awareness of consumer rights and needs through World Consumer Rights Day, which is celebrated every year on March 15. The day was established to demand that consumer rights are respected and protected, and to protest against market abuses and social injustices. The United Nations and other international actors support the day.

In India, the consumer movement was sparked by the Consumer Protection Act of 1986. The movement's goal is to educate consumers about their rights. One example of a consumer movement campaign in India is Jago Grahak Jago, which uses TV and radio advertisements to educate consumers about their rights.

### **Consumer movement in India**

The consumer movement in India is a social force that aims to protect consumers from unfair trade practices and promote their interests. The movement has evolved over time, and some of the key events and organizations in its history include:

- **Early consumer organizations:** The Passengers and Traffic Relief Association (PATRA) and the Women Graduate Union (WGU) were established in Bombay in 1915. The Triplicane Urban Co-operative Stores was also established in Madras in the late 1940s.
- **The Indian Association of Consumers (IAC):** Established in Delhi in 1956, this was an all-India association for consumer interests with government support.
- **The Consumer Guidance Society of India (CGSI):** Formed in Bombay in 1956 by nine housewives and social workers.
- **The Indian Consumers Union:** Registered in New Delhi in 1977, this organization fought against the rising prices of essential commodities.
- **The Consumer Education and Research Centre (CERC):** Established in Ahmedabad in 1979.
- **The Consumer Protection Act, 1986 (COPRA):** This act was a notable piece of legislation that protected the interests of consumers.

The consumer movement in India has been driven by consumer exploitation, such as adulteration, short weightage, and black marketing. However, the movement has faced some challenges, including:

- A complicated, expensive, and time-consuming consumer redressal process
- A lack of consumer education, which can make consumers passive and apathetic
- A lack of unified action among consumer organizations
- A lack of funds among consumer rights organizations



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### Historical perspectives

Consumer protection legislation enacted after India's independence from Britain include: the Essential Commodities Act of 1955, the Prevention of Food Adulteration Act of 1954 and the Standard of Weights and Measures Act of 1976.

The history of consumer protection in India includes the development of laws and the rise of a consumer movement:

- **Medieval period**

Muslim rulers established market mechanisms to monitor prices and the supply of goods.

- **British period**

The modern legal system was introduced and laws were enacted to protect consumers.

- **1960s**

The consumer movement began due to food shortages, hoarding, black marketing, and adulteration of food and edible oil.

- **1986**

The Consumer Protection Act was passed to provide a quicker and simpler way to address consumer grievances. The Act introduced the concept of "consumer" and gave consumers additional rights.

Before the Consumer Protection Act, the Indian government introduced other provisions to protect consumers, such as:

- The Indian Contract Act, 1872
- The Sale of Goods Act, 1930
- The Standards of Weight and Measures Act, 1976

The consumer movement applied pressure on governments and businesses to correct unfair business practices. Pradeep S. Mehta is considered to be the "father of the consumer movement" in India.

### Concept of consumerism

**1. Materialism:** Consumer culture is characterized by a strong emphasis on material possessions. The pursuit of goods and services becomes a central aspect of individual identity, with the accumulation of possessions viewed as a measure of success and happiness.



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**2. Brand Loyalty:** Individuals in consumer cultures often form strong attachments to specific brands. Brands become symbolic, representing not only the quality of the product but also a statement about personal identity and lifestyle.

**3. Throwaway Culture:** Consumer culture is marked by a tendency to dispose of goods and replace them with newer, trendier items. The rapid turnover of possessions contributes to a disposable mind set, leading to environmental concerns and resource depletion.

**4. Globalization:** The globalization of markets and the interconnectedness of economies contribute to the diversity of products available in consumer cultures. People have access to goods and services from various parts of the world, influencing trends and preferences on a global scale.

**5. Status Symbolism:** Possessions, especially branded or luxury items, are often used as symbols of social status. The type of car, clothing, or electronic gadgets one owns can convey a message about their place in the social hierarchy.

**Examples of consumerism**

**1. Black Friday Sales:** Black Friday is a prime example of consumerism, especially in the United States and several other countries. It typically occurs on the day after Thanksgiving and marks the beginning of the holiday shopping season. Retailers offer significant discounts and promotions, leading to massive crowds and frenzied purchasing. Consumers often camp outside stores or rush to online platforms to take advantage of deals, exemplifying the intense consumer culture during this annual event.

**2. Luxury Brands and Designer Goods:** Luxury brands, such as Rolex, Louis Vuitton, and Chanel, thrive on consumerism by positioning their products as symbols of exclusivity and status. The allure of owning high-end, designer items goes beyond the practical utility of the goods; it is about showcasing social standing and affluence. Consumers willingly pay a premium for these brands to make a statement about their lifestyle and to partake in the conspicuous consumption associated with luxury goods.

**3. Annual Smartphone Releases:** The tech industry provides another noteworthy example of consumerism with the annual releases of new smart phones. Companies like Apple and Samsung create anticipation for their latest models, encouraging consumers to upgrade their devices regularly. The marketing strategies and the cultural significance attached to owning the newest smart phone showcase how consumerism drives the constant desire for the latest technological innovations.

**4. Fast Fashion Retailers:** Fast fashion retailers, such as H&M, Zara, and Forever 21, epitomize consumerism in the fashion industry. These companies produce affordable, trendy clothing at a rapid pace, enticing consumers to buy frequently to stay in vogue. The fast turnover of fashion





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trends and the disposable nature of these garments contribute to a culture of continuous consumption, where clothing is discarded quickly in favor of the next trend.

**5. Holiday Shopping Extravanzas:** During holiday seasons like Christmas, consumerism is prominently displayed through extravagant shopping sprees. The emphasis on gift-giving and the desire to create memorable celebrations often lead to heightened consumer activity. Shopping malls, online retailers, and various platforms capitalize on the festive spirit, promoting a culture of gift-giving and lavish purchases as integral components of holiday celebrations.

### **Need and importance of consumerism**

**1. Marketing and Advertising:** Consumerism begins with marketing and advertising strategies designed to create desires and needs. Advertisers meticulously craft messages that appeal to the emotions and aspirations of the target audience. Through various channels, including television, radio, print, and digital media, these messages are disseminated to shape consumer preferences.

**2. Cultural Influences:** Consumerism is deeply intertwined with culture. Cultural influences, including societal norms, values, and trends, play a crucial role in shaping what is considered desirable or prestigious. The media, celebrities, and influencers contribute to the creation of consumer trends, establishing certain products or brands as status symbols.

**3. Psychological Triggers:** Consumerism taps into psychological triggers to influence consumer behaviour. These triggers include the Fear of Missing Out (FOMO), the desire for social validation, and the pursuit of self-worth through material possessions. Marketers exploit these triggers to create a sense of urgency and necessity around certain products.

**4. Accessibility and Globalization:** The accessibility of a wide range of products from around the world is a hallmark of consumerism. Globalization has enabled consumers to access goods and services from diverse cultures, contributing to a constant influx of new trends and choices. This diversity further fuels consumer desires and the need for continuous consumption.

**5. Consumer Identity and Lifestyle:** Consumerism is closely tied to personal identity and lifestyle. Individuals often define themselves by the products they own, the brands they choose, and the lifestyle they project. Purchases become a form of self-expression, allowing individuals to communicate their values and aspirations to the world.

**6. Cycle of Desire, Purchase, and Disposal:** Consumerism perpetuates a cycle wherein desires are created, purchases are made, and goods are eventually disposed of to make room for new acquisitions. This cycle is integral to the economic model of consumerism, driving continuous production and consumption.





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### **Advantages of Consumerism**

- 1. Economic Growth:** Consumerism is a potent catalyst for economic growth. Increased consumer spending stimulates demand, encouraging businesses to produce more goods and services. This, in turn, leads to higher production levels, job creation, and a thriving economy.
- 2. Innovation:** The constant demand for new products drives innovation. Companies invest in research and development to stay competitive and meet consumer expectations. This innovation not only enhances product quality but also fosters technological advancements and progress.
- 3. Job Creation:** A consumer-driven economy generates employment opportunities across various sectors. From manufacturing and retail to marketing and services, the demand created by consumers directly contributes to job creation, lowering unemployment rates.
- 4. Improved Standard of Living:** Consumerism has historically been associated with an improved standard of living. As people have access to a wide array of goods and services, their overall quality of life can be enhanced through increased convenience, comfort, and choices.
- 5. Global Trade and Interconnectedness:** Consumerism has facilitated global trade and interconnectedness. People can access products and services from around the world, contributing to cultural exchange and allowing individuals to experience a diverse range of goods.
- 6. Technological Advancements:** The demand for the latest and most advanced products fuels technological progress. From smart phones to medical innovations, consumerism plays a role in driving industries to push the boundaries of what is possible.

### **Disadvantages of Consumerism**

- 1. Environmental Degradation:** One of the most significant drawbacks of consumerism is its impact on the environment. The production, distribution, and disposal of goods contribute to resource depletion, pollution, and ecological damage, exacerbating climate change.
- 2. Debt and Financial Stress:** The pursuit of material possessions often leads individuals to accumulate high levels of personal debt. Credit card debt, loans, and installment plans can result in financial stress and instability, especially during economic downturns.
- 3. Social Inequality:** Consumerism can deepen social inequality. Those with higher incomes may have greater access to the latest products and experiences, creating disparities within society. The pressure to conform to consumer norms can lead to financial exclusion for some individuals.
- 4. Throwaway Culture:** Consumerism encourages a throwaway culture where goods are quickly discarded in favour of newer, trendier items. This cycle of constant consumption contributes to the generation of waste and burdens waste management systems.



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**5. Cultural Homogenization:** The globalized nature of consumerism can lead to the homogenization of cultural practices and preferences. Local traditions and unique cultural expressions may be overshadowed by a global consumer culture, resulting in a loss of diversity.

**6. Materialism and Well-being:** Consumerism is often criticized for fostering materialistic values, where personal worth and happiness are linked to the acquisition of possessions. This emphasis on material wealth can detract from meaningful aspects of life, impacting mental well-being.

KAMARAJ WOMENS COLLEGE



## Unit – II

### Consumer Exploitation

#### Meaning

Consumer exploitation refers to practices that take advantage of consumers in various markets, leading to unfair treatment, misleading information, or excessive prices for goods and services.

Consumer exploitation occurs when a producer or seller misleads or cheats a consumer. Consumers are often vulnerable to exploitation because they have limited consumer education and information, and weak bargaining power.

Some examples of consumer exploitation include:

- **Deceptive advertising:** Companies may use false claims, exaggeration, or misleading information to lure consumers into buying their products.
- **Bait-and-switch tactics:** Consumers may be misled into buying a product that is different from what they were expecting.
- **Deceptive pricing:** Consumers may be charged more than the product is worth.
- **Deceptive billing:** Consumers may be billed incorrectly.
- **Misuse of customer data:** Consumers' personal information may be used without their permission.
- **Lack of safety devices:** Products may not have the necessary safety devices, which can lead to accidents.
- **Unsatisfactory after-sale service:** Suppliers may not provide adequate after-sale service for expensive products.

To avoid exploitation, consumers can be aware of their rights and responsibilities, Question prices and quality, are assertive in obtaining fair deals, and Join consumer organizations.

#### Causes of consumer exploitation

- **Weak regulatory framework**

When the regulatory framework for consumer protection is weak, businesses can break the rules with impunity.

- **Information asymmetry**

When there is a gap in information between consumers and producers, producers can manipulate consumers with deceptive practices.



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- **Corruption and collusion**

When there is corruption in regulatory bodies or collusion between businesses and government officials, efforts to curb consumer exploitation are undermined.

- **Poverty and illiteracy**

When consumers are poor or illiterate, they are more vulnerable to exploitation and less likely to assert their rights.

- **Inadequate awareness**

When consumers are unaware of their rights and how to seek redressal, exploitation can continue.

- **Limited consumer information and education**

When consumers don't have enough information and education, they are more likely to be exploited.

- **Unorganized consumers**

When consumers are unorganized, they are more likely to be exploited.

- **Spurious goods**

When there are spurious goods in the market, consumers are more likely to be exploited.

- **Deceptive advertising**

When businesses use deceptive advertising, consumers are more likely to be exploited.

- **Manipulative business practices**

When businesses use manipulative business practices, consumers are more likely to be exploited.

#### **Forms of consumer exploitation**

1. **Adulteration:** Adulteration means mixing or substituting undesirable materials in food. This causes heavy loss to the customers; they suffer from monetary loss as well as spoil their health.
2. **False claim:** Sellers make false claim about the durability and quality of their product through advertisements.
3. **Under measurement:** Sellers generally give under measured goods and charge for the actual quantity.



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4. **Hoarding and black marketing:** Trader generally holds the stock of essential commodities to create artificial scarcity in the market so that they can sell their commodities at higher price.
5. **Substandard goods:** Sellers usually sell inferior quality goods in order to make more profit.
6. **High price:** Sellers who are dealing in necessities generally charge arbitrary prices.

#### **Underweight measures**

Underweight or under-measurement is a common form of consumer exploitation, where goods are sold that are not measured or weighed correctly. The weight of any packaging must be excluded from the weight or measure statement.

- Ask the seller to re-weigh or measure the goods in front of you
- Tell the seller you believe they have sold you a short weight or measure
- Check to see whether their scale or the petrol pump has a current certificate of accuracy

The Standards of Weights and Measures Act, 1976 protects consumers from underweight or under-measure practices.

Underweight or under-measurement is a common way that consumers are exploited in the marketplace.

- **Ask for a re-weigh or re-measure**

If you think you've been sold short, you can ask the seller to re-weigh or re-measure the goods in front of you.

- **Check the scale or pump**

Make sure the scale or pump has a current certificate of accuracy.

- **Report to Trading Standards**

If you can't resolve the issue with the seller, you can report it to Trading Standards.

- **Be aware of other types of consumer exploitation**

Other types of consumer exploitation include selling substandard quality goods, charging high prices, and selling duplicate items.

- **Be an informed consumer**

Consumer awareness is important for protecting consumers from exploitation. For example, if you're looking for a sugar-free snack, you should check the ingredient list to make sure there isn't sugar hidden under a different name.



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### High prices

In situations where consumers have limited choices, such as in monopolistic markets or during crises (e.g., natural disasters), businesses may charge excessively high prices for essential goods, exploiting the urgency of consumer needs.

High prices can lead to consumer exploitation when companies abuse their market power, limit competition, or engage in unfair practices like price gouging, especially during crises. Consumers are left with fewer choices and may be forced to pay inflated prices for essential goods or services.

Consumer exploitation through high prices occurs when businesses take advantage of consumers by charging excessively for goods or services. This often happens due to monopolies, lack of competition, or unethical practices like price gouging during emergencies. It reduces consumer welfare, as people may pay more than the fair value of products, especially for essentials. Additionally, vulnerable groups are disproportionately affected, further widening economic inequalities. Regulatory oversight and consumer protection laws are essential to prevent such exploitation.

Consumer exploitation through high prices occurs when businesses unfairly charge excessive amounts for goods or services.

### Causes

- **Monopolies:** Limited competition enables price control.
- **Price Gouging:** Opportunistic pricing during crises.
- **Lack of Regulation:** Weak enforcement of consumer protection laws.

### Impacts

- Financial burden on consumers, especially low-income groups.
- Reduced access to essential goods and services.

### Solutions

- Stronger regulatory oversight.
- Promotion of fair competition.
- Awareness of consumer rights.

### Substandard Quality in Consumer Exploitation

Consumer exploitation through substandard quality involves providing goods or services that fail to meet expected standards, often at the expense of consumer health, safety, and economic well-



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being. This issue highlights unethical practices in the market and raises concerns about the need for stricter regulations and consumer awareness.

### **Understanding Substandard Quality**

Substandard quality refers to products or services that do not conform to established benchmarks of safety, durability, or performance. Examples include counterfeit goods, adulterated food items, and poorly manufactured electronics. Businesses may cut corners in production, use low-grade materials, or neglect quality control to maximize profits, often leaving consumers with defective or unsafe products.

### **Causes of Substandard Quality**

1. **Profit Maximization:** Companies prioritize cost-cutting over quality to increase margins.
2. **Weak Regulation:** Lack of stringent oversight allows inferior products to enter the market.
3. **Consumer Unawareness:** Limited knowledge about standards and rights makes consumers vulnerable.
4. **Lack of Competition:** Monopolies or limited options can force consumers to accept low-quality goods.

### **Impacts on Consumers**

1. **Health and Safety Risks:** Substandard products, such as unsafe pharmaceuticals or faulty appliances, can harm consumers physically or financially.
2. **Economic Loss:** Inferior products often require frequent replacements, increasing costs for consumers.
3. **Erosion of Trust:** Poor-quality goods undermine consumer confidence in brands and markets.

### **Addressing the Issue**

1. **Regulatory Measures:** Governments and organizations must enforce quality standards and impose penalties on violators.
2. **Consumer Education:** Awareness campaigns can empower consumers to identify and demand quality products.
3. **Quality Certification:** Labels like ISO or BIS can help consumers make informed choices.
4. **Encouraging Competition:** Open markets ensure businesses compete on quality, not just price.





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Substandard quality in consumer exploitation is a significant challenge that affects individuals and society. Combating this issue requires a combined effort from regulators, businesses, and consumers to promote fair practices and uphold quality standards. A vigilant and informed consumer base, coupled with robust regulatory mechanisms, can mitigate the prevalence of substandard goods and foster a more trustworthy market environment.

### **Poor or Inadequate After-Sales Services**

After-sales services refer to the support provided by a company after a product is purchased, such as repairs, maintenance, and customer support. When these services are poor or inadequate, it leads to consumer exploitation and dissatisfaction.

#### **Causes**

1. **Cost-Cutting:** Companies may reduce after-sales resources to save costs.
2. **Lack of Accountability:** Poor oversight and unclear policies hinder service quality.
3. **Low Priority:** Some businesses view after-sales services as secondary to initial sales.

#### **Impacts on Consumers**

1. **Financial Loss:** Consumers incur extra costs for repairs or replacements due to insufficient support.
2. **Inconvenience:** Delayed responses or unresolved issues waste time and cause frustration.
3. **Reduced Trust:** Poor service tarnishes the brand's reputation and erodes consumer loyalty.

#### **Solutions**

1. **Stronger Regulations:** Mandating warranties and clear return policies protects consumers.
2. **Consumer Awareness:** Educating consumers on their rights ensures they demand better service.
3. **Company Initiatives:** Businesses should invest in skilled staff, quick resolution mechanisms, and feedback systems.

Inadequate after-sales services exploit consumers and damage trust in businesses. Ensuring prompt and effective support is vital for consumer protection and long-term brand loyalty.

### **Challenges of consumer exploitation**

Consumer exploitation presents several challenges that hinder fair treatment and protection of buyers. One of the primary issues is the lack of awareness among consumers about their rights, making them vulnerable to unfair practices. False advertising often misleads consumers into



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purchasing products that fail to deliver on promised quality. Similarly, unfair pricing and substandard products exploit consumers financially and compromise their satisfaction and safety.

Weak enforcement of consumer protection laws allows businesses to exploit buyers without facing consequences, while online fraud has emerged as a significant concern in the digital age. Moreover, complex terms and conditions often confuse consumers, and monopoly practices limit their choices and inflate prices.

Delays in the resolution of consumer disputes further discourage people from seeking justice, and the digital divide or illiteracy among certain populations exacerbates the problem. Addressing these challenges requires stronger regulations, consumer awareness programs, and effective redressed mechanisms.

Consumer exploitation refers to situations where consumers are unfairly treated or deceived by sellers, often leading to financial loss or harm. Some of the major challenges include:

1. **Lack of Awareness:** Many consumers are unaware of their rights or the standards for goods and services, making them vulnerable to deceptive practices.
2. **False Advertising:** Misleading claims in advertisements can result in consumers buying products that do not meet their expectations.
3. **Unfair Pricing:** Sellers sometimes charge excessively high prices for products, especially when consumers lack alternative options.
4. **Substandard Products:** Consumers may receive low-quality goods that fail to meet promised standards, compromising their safety or satisfaction.
5. **Lack of Proper Regulations:** Weak enforcement of consumer protection laws allows businesses to exploit consumers without facing significant consequences.
6. **Online Fraud:** With the rise of e-commerce, phishing scams, fake websites, and non-delivery of products have become common issues.
7. **Complex Terms and Conditions:** Businesses often use complicated terms, making it difficult for consumers to understand their rights or obligations.
8. **Monopoly Practices:** Dominant market players sometimes exploit consumers by restricting choices and controlling prices.
9. **Delay in Redressal:** Consumer disputes often face delays in resolution, discouraging people from seeking justice.
10. **Illiteracy and Digital Divide:** A lack of education and digital skills prevents many from making informed decisions, especially in rural or underprivileged areas.



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Governments and organizations need to strengthen consumer rights, promote awareness, and ensure stricter enforcement to address these challenges.

**Impact of Challenges in Consumer Exploitation**

The challenges of consumer exploitation have far-reaching consequences for individuals, businesses, and the economy as a whole. For consumers, exploitation leads to financial losses, as they often pay more for inferior products or services. Health and safety risks arise when substandard or counterfeit goods are sold, especially in essential sectors like food, medicine, and electronics. A lack of trust in the market due to false advertising and deceptive practices discourages consumers from making purchases, affecting their confidence.

For businesses, unethical practices can damage their reputation and result in legal actions or penalties if caught. Additionally, ethical companies may struggle to compete in markets where exploitation is widespread. On a broader scale, economic inequality worsens as vulnerable populations, especially the illiterate or digitally excluded, are disproportionately affected. Furthermore, delays in resolving disputes weaken the judicial system, creating a sense of injustice among consumers. Addressing these impacts is crucial for fostering fair trade, protecting consumer rights, and ensuring sustainable economic growth.



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### **UNIT - III**

Consumer's Right", by definition, is the right of a consumer to have adequate information regarding the quality, quantity, potency, purity, price, and standard of the commodity they are using and that they are protected against any malpractices as a consumer. The following are the fundamental consumer rights of an individual in India:

- **Right to Safety:** The consumer has the right to ensure the quality of the product available in the market in order to safeguard their long-term interests. The quality marks for products in India are Indian Standards Institution (ISI) (for industrial, electrical products), AGMARK (or Agriculture Mark for agricultural products), FPO mark (for processed fruit items), etc.
- **Right to be Informed:** The consumer can insist on acquiring all the necessary details regarding the products and protect themselves from malpractices.
- **Right to Choose:** It is the right of a consumer to have accessibility to a variety of products available in the market at fair prices.
- **Right to be Heard:** The consumer's interest will be given proper consideration and they will be provided with the appropriate forum to do so.
- **Right to Seek Redressal:** The consumer has the right to claim for redressal in case of exploitation and demand for a fair settlement.
- **Right to Consumer Education:** It is also the responsibility of the consumer to be aware of their rights and hence the right to consumer education means the right to acquire relevant skills and knowledge as required to be an informed consumer.

#### **JOHN F. KENNEDY CONSUMER BILL OF RIGHTS**

President JOHN F. KENNEDY introduced the "Consumer Bill of Rights" in 1962. Every consumer has four fundamental rights: the right to safety, the right to choose, the right to be heard, and the right to be informed. Four additional rights were later added: the right to redress, the right to consumer education, the right to service, and the right to a healthy and sustainable environment.

#### **Consumer Bill of Rights**

Here is a list of the Consumer Bill of Rights and their definitions.

1. The **right to safety** refers to the right to be protected from the marketing and sale of products hazardous to human life and property. Consumers expect purchased items to be safe when used correctly or as directed.
2. The **right to choose** is a consumer's right to have access to a variety of products and services at fair and competitive prices. In cases where there is a lack of competition, consumers still have a right to quality products and services at fair prices.



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3. The **right to be heard** is the right to have interests and complaints heard and considered. Consumers have the right to let businesses know if they are unhappy with products and services. These complaints are usually made in customer service departments. This right also ensures consumers that government officials will consider consumer concerns and issues when making public policies.
4. The **right to be informed** means that consumers are to be provided with adequate, reliable, and sufficient information about products or services to make informed decisions. Businesses are required by law to provide certain information to consumers regarding their products and services. The purpose of this right is to protect consumers from false and misleading claims or information in advertising, labelling, or marketing practices.
5. The **right to redress** is the right to have problems resolved. It refers to the right to seek justice against exploitation or unfair practices. Consumers have the right to return a defective item or complain about poor service. They also have a right to get their money back, to have the product replaced or a do-over of the service provided, or to have the product repaired. It is a consumer's right to seek a fair resolution to grievances. If a business does not correct the problem, contact the manufacturer. If they do not correct the problem, contact a government agency, such as the Alabama Attorney General's Office, or consumer protection offices, including the Alabama Securities Commission or the Alabama Department of Insurance.
6. The **right to consumer education** refers to having access to education that will provide the knowledge and skills needed to make informed consumer decisions. For example, consumers have the right to use the information provided on labels to compare prices and quality.
7. The **right to service** is the right to be treated in a respectful and courteous manner. Consumers have the right to expect prompt and non-discriminatory service.
8. The **right to a healthy and sustainable environment** is the right to live in a non-threatening, safe, and healthy environment that promotes the well-being of present and future generations. Consumers have the right to live and work in an environment protected from pollution (air, water, land, noise, etc.).

Government and non-governmental organizations have made significant progress in protecting consumers by developing laws that give consumers specific rights. As with any right, however, it isn't worth much if it is not desired, exercised, and protected.

### **TYPES OF CONSUMER RIGHTS**

While consumers have rights, they also have responsibilities as follows:



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**1. RIGHT TO SAFETY:**

It right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfil long term interests. Before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. They should preferably purchase quality marked products such as ISI, AGMARK, etc

**2. RIGHT TO CHOOSE**

Consumers have the freedom to choose products of their choice. This implies that the marketers should offer a wide variety of products in terms of quality, brand, size, etc, so that the consumer can make a wise choice by comparing different products available at competitive prices.

**3. RIGHT TO BE HEARD**

The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason, many enlightened business firms have set up their own consumer service and grievance cells, and help consumers in redressal of their grievances.

**4. RIGHT TO BE INFORMED**

Right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices. Consumer should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

**5. RIGHT TO REDRESS**

This right assures justice to consumers against exploitation and includes compensation for any loss or injury suffered by the consumers, replacement of goods or repair of defects in the goods in order to provide satisfaction to consumers. Thus, the consumer has a right to get relief in case the product falls short of his expectation.

**6. RIGHT TO CONSUMER EDUCATION**

The right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success.

**7. RIGHT TO A HEALTHY AND SUSTAINABLE ENVIRONMENT**

Consumers have the right to live in a pollution free environment. This is necessary to enhance the quality of human life.





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- Avoid contributing to pollution.
- Learn the environmental effects of the product used.
- Make environmentally sound consumption choices.
- Become informed about environmental issues.
- Report environmental wrongdoing to appropriate authorities.
- Support recycling efforts (e.g., drug take-back, e-waste recycling, etc.).

Remember consumer rights mean very little if consumers don't know or exercise their rights. For example:

- Consumers can cancel certain sales (after signing a contract) made at their home, workplace, dormitory, or a location that is not the seller's permanent place of business (e.g., hotel/motel room, convention center, restaurant, etc.) within three days (Cooling-Off Rule).
- If refused credit or employment due to information found in your credit report, consumers are to be given a summary of that information.
- Telemarketers are only allowed to call between 8 a.m. and 9 p.m.
- If a consumer purchases a new car, truck, or SUV that is defective within the first year or before reaching 12,000 miles, that consumer is entitled to a buyback or replacement (Lemon Law).

#### **DUTIES OF CONSUMERS:**

##### **1. Safety –**

To be safe is the main duty of the consumers various labels and precautions are provided to consumers when they purchase an item. They should read the information and adhere to it.

Consumers must make sure that the product they are purchasing is of good quality, and have been quality marked such as Agmark, ISI, Hallmark, etc.

##### **2. Making the best choice-**

Consumer must take time to compare product features and prices before making a decision to purchase it. Generally, there is more than one choice per product in the marketplace, and it's consumers duty to determine which one will work best for their purposes.





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### **3. Expression-**

Consumer should speak up complaints or praises to the appropriate sources, such as the Better Business Bureau or the manufacturer.

### **4. Obtain compensation-**

If the product fails or does not meet the expectations, compensation should be sought. Some manufacturers issue warranties with their products, while others give a refund if you products are not satisfactory.

### **5. Education-**

Consumer should educate themselves through research to find the best product fit for their situation. Organizations such as Consumer Reports offer helpful non-biased, research-based advice about products.

### **6. Act of responsibility-**

Consumer must use the products purchased in a way that doesn't negatively impact the environment or other consumers. Consumers should follow the product instruction and safety labels, to avoid harming others with the use of the item.

### **7. Duty to be Aware**

The consumer should be proactively aware of the quality of the products and services he is availing of. For example, he should check that the goods have Hallmark, FSSAI approval, etc.

### **8. Duty to Stay Informed**

The consumer should be updated with information about the products and services he wants to engage in.

### **9. Duty to Follow the Rules**

The consumer should not infringe any rules in order to get the benefit of the service or while purchasing any product.

### **10. Duty to Receive a Receipt**

The consumer should make sure that he receives the receipt when making any purchase from the market. The receipt can be used in his favour at a later stage if any inconvenience takes place.

### **11. Duty to Be Vocal**

The consumer must give voice to any exploitive measures happening to them by the sellers and make the issue noticeable to the public.



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**12. Duty to Form an Organisation**

To express their needs, grievances, demands, and views, consumers should form a non-political organisation to give their opinions a voice.

**13. Duty to Be Ethical**

The consumer himself cannot act unethically and blame the seller. Consumer himself, in the first place, should act ethically and in a fair manner and should not indulge in any malpractice measures.

**14. Duty to Consume Resources Sustainably**

Consumers should be aware of the consequences of their consumption of the resource. Resources should be utilised in such a manner that it does not cause inconvenience to the upcoming future generations.

**15. Duty to Be Responsible Towards Environment**

Consumers should be careful of their consumption so that it does not harm the environment and natural resources.

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## UNIT - IV

### Meaning of Consumerism

- The theory is that increasing the consumption of goods is economically beneficial or desirable.
- A movement advocating greater protection of the interest of consumers.
- The movement seeks to protect and inform consumers by requiring such practices as honest packaging and advertising, product guarantees, and improved safety standards.
- Public concern over the rights of consumers, the quality of consumer goods, and the honesty of advertising.
- The equation of personal happiness with consumption and the purchase of material possessions.
- The promotion of consumer interest. etc.

Consumerism devotes a thorough safeguard for the consumers from all sorts of malpractices and exploitative deeds of market operators.

The consumer has to be protected from evils like unfair trade practices, adulteration, spurious and injurious manufacturers, black marketing, price hike, overcharging, misguidance by false advertisements, misuse of trademarks, and patents, non-labeling and mislabeling, duplications, and similar other deceitful market practices.

Technically, consumerism refers to protection against duping of the market, protection against the sale and supply of bad goods, substandard and duplicate consumer products in the market; non –supply or short supply of consumer goods, unwarranted and excessive pricing, and false and Misleading advertisement camouflaging the truth.

### Concept of consumerism in India

The consumer in India had started its journey with a need to raise his voice against the quality of goods as early as 1969 through housewives in Mumbai.

It took the shape of a revolution at a later stage, and one day, our parliament passed an act for the welfare of consumers in 1986.

The consumer is the person who purchases the goods and services for his self-consumption including the use of the goods for his self occupations.

Consumerism means “the welfare of the consumer by safeguarding their rights by giving required protection to them from restrictive trade practices and unfair trade practices, and also from the



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goods/services injurious to them, and to save them from the economic exploitations by the well organized and trained sellers/traders/manufacturers of goods and services.

Consumerism has over time developed into a sound force designed to aid and protect the consumer by exerting legal, moral, and economic pressure on producers and providers in some of the developed countries.

The success of consumerism lies in the realization of the business that there is no substitute for voluntary self-regulation. Little attention from the business will not only serve consumers' interests but will also benefit them.

The best possible solution is that the Consumers must be aware of their rights, join voluntary Consumer organizations, raise a voice against exploitation, and seek redress of their grievances in time.

#### **Reason for growth of consumerism in India**

The growth of consumerism in India can be attributed to various factors that have shaped the country's economic landscape over the years. Some of the key reasons for the growth of consumerism in India include:

- 1. Economic Growth:** India has experienced significant economic growth over the past few decades, leading to an increase in per capita income. This rise in income levels has empowered a larger section of the population to spend on non-essential goods and services, contributing to the growth of consumerism.
- 2. Demographic Dividend:** India has a large and youthful population, which forms a significant consumer base. The demographic dividend, characterized by a large working-age population, has led to increased consumer spending as more people enter the work force and contribute to the economy.
- 3. Urbanization:** Rapid urbanization has resulted in lifestyle changes and increased exposure to global trends. Urban areas often witness higher disposable incomes, access to a wide range of products, and the influence of advertising and marketing, all of which contribute to the growth of consumerism.
- 4. Globalization:** Increased integration with the global economy has exposed Indian consumers to a wider array of products and brands. The availability of international goods and services, along with global marketing strategies, has contributed to a shift in consumer preferences towards more diverse and often higher-priced products.
- 5. Technological Advancements:** The widespread adoption of technology, especially the internet and smartphones, has played a crucial role in driving consumerism. E-commerce platforms have made it easier for consumers to access a wide range of products and services, fostering a culture of convenience and instant gratification.



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**6. Changing Lifestyles and Aspirations:** As lifestyles evolve and aspirations change, consumers seek products and services that align with their evolving preferences. This shift in consumer mindset, from essential needs to aspirational and lifestyle-driven choices, has fueled the demand for a variety of goods and services.

**7. Financial Liberalization:** Economic reforms and liberalization policies in the 1990s opened up the Indian economy to foreign investment and competition. This led to increased market dynamics, with a plethora of choices available to consumers, fostering a more competitive consumer market.

**8. Government Policies:** Certain government policies, such as financial inclusion initiatives and subsidies, have positively impacted the purchasing power of consumers. Policies that promote economic stability and growth can contribute to an environment conducive to consumer spending.

**9. Cultural Shifts:** There has been a shift in cultural attitudes towards consumption. The perception of certain products as status symbols or indicators of success has driven increased consumer spending on luxury items and premium brands.

**10. E-commerce Boom:** The rise of e-commerce platforms has provided consumers with easy access to a vast array of products, often at competitive prices. Online shopping has become a significant driver of consumerism, allowing people to make purchases conveniently from the comfort of their homes.

While the growth of consumerism in India has brought about positive economic changes, it is essential to strike a balance to ensure sustainable and responsible consumption, considering environmental and social factors.

### **Recent Trends in Consumerism**

Technology, personal perception, environmentalism and convenience are prime movers for recent consumers. Keep these trends in mind when developing a marketing and communications strategy.

#### **1. Convergence of Digital and Physical Shopping**

Today's consumer is interested in both remote and in-person shopping experiences. It's a trend prominent enough to spawn new words designed to describe this convergence from both the consumer's and company's perspective.

The first term coined as a result of this trend is the word: "phygital." It refers to the merged brick-and-mortar experience and the online shopping experience. Another term to emerge is: "omni channel," which describes a company's approach to providing customers with a consistent experience regardless of how they shop, whether in person, online or on a mobile device.



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## **2. A New Definition of Beauty**

All brands must understand what consumers define as beautiful, as it will impact everything from the selection of models for advertisements to the products people choose to buy. The definition of beauty is changing as consumers push for diversity and inclusivity. Many shoppers respond positively to ads that include people with disabilities, people of different body sizes and people with a diverse set of physical features.

On the other hand, consumers are responding negatively and rejecting brands that push a specific “traditional” definition of beauty. Beauty is now seen as a way to express one’s self, rather than a way to fit into a mold. Brands that respond to this consumer behavior trend by embracing diversity in both their products and their advertising choices will see greater success as recent progresses.

## **3. The Role of “Influencers” Will Become Even Greater**

Social influencers are growing in importance among brands and marketing professionals. A recommendation from a well-loved blogger or radio personality can drive more sales than a strategically positioned advertisement. Reviews from real consumers will influence more buying decisions than just about anything else.

Influencers are valuable in changing consumer actions because of the many different platforms they use for their messages. From online platforms to Instagram, to other social media channels, to radio and television advertising, influential people can leverage multiple channels to drive purchase decisions. Brands that incorporate this knowledge into their marketing plans will find greater success in the coming years.

## **4. Demand for Eco-Friendly, Sustainable Options**

Environmental awareness is not a new trend, but in 2022 it continues to become increasingly important to consumers. A report by IBM revealed that 49% of consumers over 12 months paid an average of 59% more for products that labeled themselves as socially responsible or sustainable. Additionally, 51% of those surveyed noted environmental sustainability is more important now than it was a year ago.

Meeting these eco-responsible goals can take on many forms, from using recycled packaging to phasing out single-use plastic products. While this trend does not necessarily mean a company has to adopt a fully sustainable approach, it does mean ignoring the impact that sustainability can have on the bottom line doesn’t make good business sense.

## **5. Delivery on Demand**

Convenience matters to the consumer in recent. Nothing exemplifies this like the popularity of delivery on-demand services. This concept makes it possible for the consumer to receive a



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product or service at a specific location at a moment's notice. For consumers, this eliminates the inconvenience of going to a physical location to pick something up.

Delivery on demand is most commonly associated with restaurant food delivery services such as Door Dash and Uber Eats, but the category encompasses a wide range of services. Dry cleaning, massages and even childcare services can be obtained through on-demand services.

### **1. Lack of Information**

Very often consumers do not get proper and timely information. The information may be about the arrival of new product or service, availability of a product; Changes in the existing product, etc. In the absence of information consumers may not be able to make proper decisions of purchasing product or services.

### **2. Malpractices by Suppliers**

Malpractices by suppliers create serious problems for consumers. Suppliers engaged in antisocial activities like black marketing, hoarding, profiteering, etc. Spoil the relations between the buyer and sellers.

### **3. Irregular Supply**

Consumer faces the problem of irregular supply. Especially in case of necessities unsystematic supplies create serious shortages. Many times the irregularities are deliberate and exploitative, caused by hoarding and black marketing.

### **4. Not Heard Properly**

Consumers often feel that they are not heard properly. Their complaints, grievances and doubts are not carefully attended to and not promptly redressed or clarified by suppliers of goods and providers of services.

### **5. Wrong Weight & Measures**

Consumers in this world are cheated by traders and others with false weight and Measures. The customers are cheated with false weights and measures in an unorganized market. Even in the organized markets such as shopping malls, customers are cheated with wrong weights pasted on the packets.

### **6. Poor after-Sale-Service**

Consumer in this world, after sale service is very poor. Even the Multinational corporations in this world do not provide effective after-sale-service in the case of office equipment, and consumer durables. Customers have to give constant reminders for after-sale-service. At many times, customers have to get the equipment repaired or serviced by third party even during the service contract period due to poor after-sale-service.





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### **7. Problem of Duplicate Goods**

Consumer in this world, the customers face a major problem of duplicate goods. Unethical producers duplicate popular brand names, and thereby customers get cheated. Even products like medicines are duplicated by illegal producers.

### **8. Problem of Delivery of Goods**

Customers also face the problem of delivery of goods. There are cases, where customers have to book in advance certain products, and they are promised a specific delivery date. However, in spite of repeated reminders, they do not get delivery of goods on time.

### **9. Unethical Advertising**

Many businessmen resort to unethical practices in advertising. They make false claims about the benefits of the product. They do not disclose true information. Consumers fall prey for such practices and get cheated.

### **10. No proper Return for Money**

Many a time consumer feels that they do not get proper returns for the price they have paid to buy the products. This may be due to inferior quality, less durability, adulteration, unsatisfactory packing, etc.

### **11. Health & Safety Hazards**

Many a time customers face problems of health hazards when they buy goods in the shops. For instance, shopkeepers sell products even after the expiry date; fruit vendors use chemicals to ripen the fruits faster; manufacturers use inferior quality of materials to keep the prices low; and so on.

### **12. Poor Quality of Sales Personnel**

Many times customers find that the sales personnel cannot give proper information about the products because they are not given appropriate training by their employers. Sometimes such persons exaggerate the merits of the products and force the customers to buy products, which may not be needed by the customers.

Indian consumers face several unique problems requiring more involvement and support from the Government and the consumer organizations to protect their rights. Some are given below:

1. Consumerism is still in its infancy and not well organized. Majority of Indian consumers are not consciously aware of their rights.
2. Shortages of essential commodities occur very often in India. Such imbalances lead to hoarding and black-marketing, profiteering and corruptions.



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3. Many consumers are ignorant and uneducated and in such situations, the marketer exploits the consumer. There are many such cases in India.
4. Producers advertise their products, not with a view to serve the public, but with a view to dispose of their dead products at a good profit.
5. Consumers become easy victims, in the absence of information, and buy sub-standard and defective products.
6. The court procedure in India is a time consuming and tiresome process. Thus, consumers avoid legal actions. People are unaware of the simple procedures under the Consumer Protection Act.
7. Supplier, and not the consumer, becomes the king in the market etc.
8. Consumer had to depend on the condition of the market. Market conditions are changing constantly with respect to economic change and changes in the marketing policy systems. New commodities are introduced in the market every day. Basic knowledge and information is not available about the commodities. Consumers are unable to decide which product is more suitable to meet, their requirements.
9. All goods and commodities available in the market are not standardized. Consumers are not sure of the quality of the product for which they are spending their money.
10. A single product may be available in various brands, trade mark, quality, grade and it becomes difficult for the consumer to make the right choice.
11. Misleading advertisements, free gifts, and similar promotional methods, may confuse consumer to make the right decision.



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**UNIT - V**

**Consumer Protection (Amendment) Act 2019**

The Consumer Protection Act, 2019 in India establishes the framework for Consumer Protection Councils at three levels—Central, State, and District—to help safeguard consumer rights and promote consumer welfare. These councils act as advisory bodies and are designed to address consumer grievances, enhance awareness, and guide government policies related to consumer protection.

**1. Central Consumer Protection Council (CCPC)**

The Central Consumer Protection Council is constituted at the central level by the Central Government. It is responsible for advising the government on matters related to consumer protection, promoting consumer welfare, and ensuring effective implementation of the law at the national level.

- The Council is headed by the Union Minister for Consumer Affairs.
- Its duties include:
  - Recommending measures to promote and protect consumer rights.
  - Raising awareness about consumer rights and educating the public.
  - Advising the government on how to improve consumer policies and regulations.
- **Purpose:** The Central Consumer Protection Council (CCPC) is set up at the national level to advise the government on matters related to consumer protection, provide recommendations on policies, and promote consumer awareness and education across India.
- **Composition:**
  - The Council is headed by the Union Minister for Consumer Affairs.
  - It includes members from various sectors such as representatives from government departments, consumer organizations, businesses, experts in fields related to consumer welfare, and others.
  - The composition ensures a balanced representation of various stakeholders in the economy.
- **Functions:**
  - **Advisory Role:** The CCPC advises the government on policies and measures related to consumer protection.



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- **Promotion of Consumer Rights:** It works to raise awareness about the rights of consumers.
- **Recommendations:** It makes suggestions for the improvement of the Consumer Protection Act, including new consumer protection policies, regulatory measures, and improvements in consumer redressal mechanisms.
- **Implementation:** The Council assists in guiding the implementation of consumer welfare measures across the country.

**Features of the Consumer Protection Act, 2019:**

- 1. Central Consumer Protection Authority (CCPA):** The Act establishes the Central Consumer Protection Authority (CCPA), which is responsible for enforcing consumer rights across the country. The CCPA is empowered to:
  - Take suo-motu actions against unfair trade practices, false advertising, and violations of consumer rights.
  - Regulate misleading advertisements and impose penalties on manufacturers or service providers that issue deceptive ads.
  - File class action suits on behalf of consumers to protect their collective rights.
  - Monitor and regulate product safety standards and investigate complaints regarding unsafe products or services.
- 2. Consumer Disputes Redressal Commission:** The Act introduces District, State, and National Consumer Disputes Redressal Commissions to resolve consumer complaints in a more streamlined and efficient manner. These commissions offer consumers a platform for grievance redressal.
- 3. Simplified and Expedited Process:**
  - Consumers can now file complaints online, making it more accessible and convenient.
  - The time limit for resolving disputes has been shortened, which ensures quicker resolution.
- 4. Protection Against Unfair Trade Practices:** The Act provides stronger protection against unfair trade practices such as:
  - **Defective goods or services:** Consumers can claim refunds or compensation.
  - **Overcharging and deceptive advertising:** The CCPA can intervene to ensure fairness.



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### **5. Product Liability:**

- The Act includes provisions on product liability, where manufacturers, service providers, or sellers are held responsible for any harm caused by defective products or services.

**6. Enhanced Penalties for Violations:** The penalties for violating consumer rights have been strengthened, with the CCPA having the power to impose hefty fines and initiate action against violators.

**7. E-Commerce and Online Protection:** The Act includes specific provisions to regulate the e-commerce sector, ensuring consumer protection in online transactions. It mandates that e-commerce platforms disclose complete information about sellers, terms and conditions of sale, and mechanisms for resolving disputes.

## **2. State Consumer Protection Councils**

- **Purpose:** At the State level, each state government is required to establish a State Consumer Protection Council. These councils focus on consumer protection at the regional level, addressing specific needs and challenges in consumer welfare within the state.
- **Composition:**
  - The State Consumer Protection Council is headed by the State Minister for Consumer Affairs or a senior government official in charge of consumer protection.
  - The council includes members from the state's administration, consumer organizations, industry representatives, and other relevant experts.
- **Functions:**
  - Similar to the central council, the state councils advise the state government on consumer welfare matters, including consumer education, addressing complaints, and policy development at the state level.
  - They are instrumental in creating awareness among consumers about their rights and the avenues available for grievance redressal.
  - They also recommend improvements in local policies related to consumer protection and assist in the implementation of state-specific consumer welfare initiatives.

### **Importance of State Consumer Protection Councils**

- **Localized Focus:** Since consumer issues may vary by state due to cultural, regional, or economic differences, the state councils can address specific challenges in local markets and communities.



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- **Awareness Campaigns:** By educating consumers on their rights and available legal recourse, these councils help create a more informed consumer base.
- **Government Advocacy:** The councils play an important role in influencing state policy, ensuring that consumer interests are prioritized at the state government level.
- **Strengthening Consumer Protection:** Through the councils' efforts in raising awareness and making policy recommendations, there is a more robust and effective consumer protection framework within the state.

### **3. District Consumer Protection Councils**

- **Purpose:** The District Consumer Protection Councils operate at the grassroots level and are established at each district within the state. Their primary aim is to handle consumer protection issues at the local level and promote consumer awareness in specific regions.
- **Composition:**
  - The District Consumer Protection Council is headed by the District Collector or a senior district-level officer.
  - It includes local officials, representatives from consumer organizations, and other stakeholders from within the district.
- **Functions:**
  - The council addresses local consumer protection issues, raising awareness about consumer rights at the district level.
  - It also works to ensure the effective implementation of consumer protection laws and helps facilitate the resolution of consumer grievances at the district level.
  - The district councils act as a link between the higher-level councils and the public, making consumer welfare measures more accessible to local populations.

#### **Importance of District Consumer Protection Councils**

- **Grassroots Approach:** Since consumer issues can vary greatly between districts, these councils ensure that policies and interventions are tailored to local needs and concerns.
- **Consumer Education:** The councils play a vital role in educating consumers at the local level, ensuring that they understand their rights and the avenues available to address grievances.
- **Faster Redressal:** By working closely with local consumer forums and the district administration, the councils help to ensure that consumer grievances are addressed quickly and effectively.



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- **Connection to Larger Framework:** While the councils focus on local issues, they act as a critical link in the national consumer protection system, ensuring that consumer welfare initiatives at the Central and State levels are effectively implemented and monitored at the grassroots level.

**Functions of All Consumer Protection Councils:**

1. **Consumer Awareness:** Organize programs, seminars, and workshops to raise awareness about consumer rights, fraud prevention, and legal remedies available to consumers.
2. **Policy Recommendations:** Recommend improvements in policies, practices, and laws related to consumer protection.
3. **Guiding Government Actions:** Advise the central, state, and district governments on the measures required to protect consumers from unfair trade practices.
4. **Monitoring Implementation:** Ensure that consumer protection laws and regulations are being enforced effectively and advocate for changes where necessary.
5. **Coordination:** Coordinate among various levels of government and other stakeholders to create a more effective consumer protection environment.

**Consumer Dispute Redressal Mechanism**

The Consumer Dispute Redressal Mechanism is a structured system designed to resolve grievances of consumers efficiently and fairly. It ensures that consumers have a platform to seek redressal for issues arising from unfair trade practices, defective goods, deficient services, overcharging, or restrictive trade practices. This mechanism is primarily governed by the Consumer Protection Act, 2019 in India, which replaced the 1986 Act to address modern consumer needs, including e-commerce and digital transactions.

**Features of the Mechanism**

**1. Three-Tier Dispute Resolution System:**

- **District Consumer Disputes Redressal Commission (DCDRC):** Handles disputes where the claim value does not exceed Rs.1 crore.
- **State Consumer Disputes Redressal Commission (SCDRC):** Handles claims between Rs.1 crore and Rs.10 crore and appeals against the decisions of DCDRC.
- **National Consumer Disputes Redressal Commission (NCDRC):** Handles claims exceeding Rs.10 crore and appeals against SCDRC's orders.





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**CONSUMERISM & CONSUMER PROTECTION**



**2. Grievance Filing:**

Consumers can file complaints online or offline without the need for legal representation. The process is cost-effective and accessible.

**3. Time-Bound Resolution:**

The Act stipulates timelines for resolving disputes, ensuring prompt redressal.

**4. E-Commerce Provisions:**

With the rise in online shopping, specific provisions address complaints related to digital transactions, including transparency, refund policies, and grievance redressal mechanisms for e-commerce platforms.

**5. Penalties for Misleading Advertisements:**

The Act holds advertisers and endorsers accountable for false claims.

**6. Alternate Dispute Resolution (ADR):**

Mediation is encouraged to resolve disputes amicably without lengthy litigation.

**Steps in the Mechanism**

- 1. Filing a Complaint:** The consumer submits a complaint in the appropriate forum based on the claim amount.
- 2. Admissibility Check:** The forum decides whether the complaint is valid.
- 3. Notice to Opposite Party:** The opposite party is informed and given an opportunity to respond.
- 4. Hearing and Evidence Presentation:** Both parties present their evidence and arguments.
- 5. Decision/Order:** The forum issues a binding decision.
- 6. Appeals:** If dissatisfied, parties can appeal to the higher forum within the stipulated time.

**Benefits**

- Provides a dedicated platform for consumers.
- Ensures accountability of businesses and service providers.
- Strengthens consumer confidence in the marketplace.
- Promotes fair trade practices.