



## **Consumer awareness mechanism: A case study of Nanded district**

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### **Abstract**

The word 'consumer' is the foundation of any business organizations success. One of the primary goals of any marketing strategy should be to identify and meet the needs of the consumer. Considering consumer importance at all stages of the marketing process helps your company to ensure greater customer satisfaction and increase its long-term goal of repeat business. The consumers yet it became necessary to protect the consumers from the exploitation and to save them from adulterated and sub-standard goods and services and to safe guard the interests of the consumers. In order to provide for better protection of the interests of the consumer the Consumer Protection Act, 1986 was introduced in the Lok Sabha. Which provides easy access to justice, has brought a legal revolution to India as a result of its cost effective mechanisms and popular support. At the same time, these mechanisms pose a great legal challenge to the traditional courts which conduct litigation in orthodox ways. In this age of consumers, the regime of Indian consumer law will undoubtedly rule Indian markets and bestow a new phase on the existing Indian legal structure with its strong ancient legal foundations. The present research study attempts to know the consumer awareness in Nanded district consumer forum in Maharashtra state.

**Keywords:** consumer, consumer protection, exploitation

### **Introduction**

In the present scenario, Indian market is predominated by the consumerism, particularly after a decade from economic reforms process. It is gradually being transformed from a predominantly sellers market to a buyers' market. Customer is the central point for all the business activities and also the only person subjected to all types of exploitation. With the advancement of technology and changing expectations of Consumers the business man are adopting various strategies to earn their profits at the cost of the customer in order to meet the increasing competition. In spite of the best Consumer Laws and serious measures of the government to protect the interests of the Consumers, exploitation is increasing day by day. The major reason contributing to this situation is lack of awareness among the Consumers about their rights and protection measures. The Consumer Protection Act is a compassionate social legislation that provides for protection of rights of the consumers and redressal of consumer disputes. Consumer Protection Act has provided for three tier quasi-judicial consumer dispute redressal mechanism at district, state and national level. The Act applies to all goods and services, excluding goods for resale or for commercial purpose, services rendered free of charge and under a contract for personal service.

There is a general feeling among consumers of all sections of society that their rights are not adequately recognized and their interests not properly safeguarded. The main cause of this thinking is the high prices of almost all consumer goods. It is natural that when a person pays more, these expectations from the product purchases also become greater. Considering these things, the consumer protection is based on the reality of consumer dissatisfaction. Consumer Protection has been a neglected aspect in our country. The objective of all production is sale by increasing number of consumers. Thus consumers occupy a very important place

in the success and failure of a business, without consumers no business world survive. Consumers' satisfaction is the ultimate aim of all business activities. Industrial revolution gave us mass production which in turn demanded mass distribution techniques. Instead of sellers market, we come across buyers market. It is said that in a buyer's market, consumer enjoys supremacy and the consumer becomes the "King" in the market. But in real practice, we see a different picture in India. The consumer is mostly neglected and exploited by unscrupulous businessman.

- Adulteration of goods,
- Poor quality,
- False measures and weights,
- Lack of service and courtesy,
- Misleading and false advertisement.

### **Need for the Study**

Every person in this society is a consumer in one way or the other. So we can say that the Indian rural market is larger than the urban market. Every person purchases goods and services in daily life. As both buyer and seller are unaware of the consumer rights and responsibilities in markets, they are confronting many problems. Every consumer confronted exploitations from sellers in terms of high pricing, poor quality, under weight and so on. In order to protect the consumer's interests, the Union Government has enacted so many legislations. Since every human being is consumer, she/he must be aware of the consumer protection, rights, responsibilities and measures, framed by the government. Consumer awareness is so important for our Indian consumer.

### **Consumer Awareness**

A person who buys any goods or services for a consideration which has been paid or promised or partly

paid and partly promised or under any system of deferred payment is a Consumer. A person who obtains such goods for resale or for any commercial purposes will not be a consumer. However, if such goods are bought by a person exclusively for the purpose of earning his livelihood by means of self-employment then such a person will be considered as a consumer. The Consumer awareness is essential in all of the following stages:

1. Before Buying
  - Planning in advance
  - Enquiring past performance of product / service
  - Enquiring about reputation and past performance of producer / seller / service provider
2. While buying
  - Asking for demonstration regarding how to operate / use the product/service
  - Enquiring about after-sales service and ensuring availability, phone number, address and e-mail of service centre
  - Knowing the contents of guarantee / warranty card dully signed/sealed by dealer
  - Demanding for approved sale bill with serial number, address, phone number, etc.
3. After Buying
  - Using products according to instruction given in user manual.
  - Immediately contacting dealer/service centre in case of fault information.
  - Keeping record for all correspondences like bills and guarantee card.
  - Seek immediate redressal of deficiency in product

**Consumer Redressal System in India**

There is legal and administrative machinery working in the field of consumer education in our country. It is important for you to understand it. Consumer redressal system is a system under which the consumers can file a complaint in a consumer court and demand justice when they are cheated by the sellers or manufacturers of the commodity or service they buy. It comprises of the Laws to protect the interest of the consumers and the Institutions to enforce the laws to uphold consumers’ rights. Thanks to the government, we have consumer laws made through legislations in our country with a special focus on consumer education. The purpose is to help the people understand their rights and responsibilities as consumers and to redress their grievance. There are also existences of Institutions in the form of government departments and consumer courts to deal with the grievances of the affected consumers. Let us discuss them below:

**1. Government Legislations**

We have had several government legislations in our country even before independence to protect the rights of the consumers. But Consumer Protection Act 1986 (CPA) is the most important one and gives you as a consumer all the support and guidance against violation of your rights. CPA is specifically designed to protect consumer interest. There are a couple of other legislations aimed at providing consumer protection, enacted after independence, like Prevention of food adulteration Act (PFA) 1954, the Essential Commodities Act, 1955 (ECA) and the Standard

of Weights and Measures Act (SWMA) of 1976. The CPA was enacted with the objective of providing ‘cheap’, ‘simple’ and ‘quick’ justice to the millions of consumers in the country. It ensures justice which is less formal, involves less paperwork, cut delays and is less expensive. CPA applies to all goods and services, unless specifically exempted. It covers the private, public and cooperative sectors. It also empowers a consumer to haul up municipal authorities in consumer courts if they fail to provide all the services ranging from street lighting and drinking water to drainage and health.

**2. Institutions to Deal with Consumers’ Grievances:**

The citizens of India have Institutional machinery, to deal with consumers’ grievances, working at all levels: national, state and district. There are two types of institutions-

1. Government Councils
2. Consumer Courts

Besides this there are also several Non-Governmental Organizations (NGOs) registered under the government law which provides various kinds of support to the aggrieved consumers.

**1. Government Councils**

The Act provides for establishment of Consumer Protection Councils at Centre, State and District levels. The purpose of these Councils are to review consumer related policies of the government and suggest measures for further improvements for protecting and promoting rights of the consumers. The composition of these councils is broad based. The Minister In charge of Consumer Affairs in the Centre is the Chairman of the Central Consumer Protection Council and it has other official and non-official members. The State Consumer Protection Council is headed by Minister In-charge of Consumer Affairs in the State and the District Consumer Protection Council is headed by the Collector of the District. These Councils are advisory in nature and their object is to protect the rights of the consumers enshrined under the Act.

**2. Consumer Courts**

Read the following flow chart to know the types of Consumer Courts working at National, State and District levels.

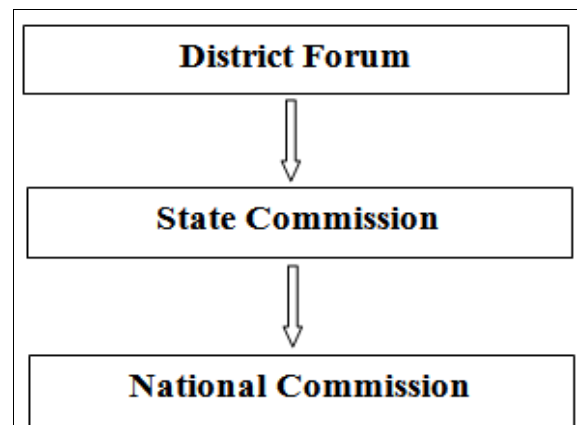


Fig 1

To provide cheap, speedy and simple redressal to consumer disputes, quasi-judicial machinery is set up at each District,

State and National levels called District Forums, State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commission respectively. There are 659 District Forums, 35 State Commission and States and Union territories and an apex body of National Consumer Disputes Redressal Commission (NCDRC) having its office at Janpath Bhawan, A Wing, 5th Floor, Janpath, New Delhi. The National Commission was constituted in 1988. It is headed by Sitting retired Judge of Supreme Court and other members chosen by Government in consultation with Chairperson. At least one member should be a Woman. Similarly, while State Commission is headed by a setting retired High Court Judge and at least 3 members, one woman. Similarly, District Consumer Forum is headed by District Court Judge and at least 3 other members and one of them should be a woman. A Consumer Court is quasi-judicial in nature and is directly accountable to the people. The central and the state governments are responsible for making policies with respect to the working of these courts.

To improve operational efficiency, coordination, accessibility and speed in judicial administration that shall lead to improvement in time bound justice to the consumers, the Department of Consumer Affairs, Government of India has launched a scheme for “Computerization and Computer Networking of Consumer fora in the country” called CONFONET through NIC (www.confonet.nic.in)

**Table-1:** Redressal Mechanism

| Concerned Forum     | Amount of goods or services |
|---------------------|-----------------------------|
| District Forum      | Less than 20,00,000         |
| State commission    | 20,00,001 to 1,00,00,000    |
| National commission | More than 1,00,00,000       |

**Table 3:** Detail of Consumer Complaints Filed, Disposed and Pending at the National, State and District Forums (Year 2015- 2019)

| Sr. no. | Name of Agency      | Cases Filed since Inception | Cases Disposed of Since Inception | Cases Pending | % of pendency cases |
|---------|---------------------|-----------------------------|-----------------------------------|---------------|---------------------|
| 1       | National Commission | 58715                       | 50209                             | 8506          | 14.49               |
| 2       | State Commission    | 378944                      | 324803                            | 54141         | 14.29               |
| 3       | District Forums     | 2031238                     | 1879625                           | 151613        | 7.46                |
|         | Total               | 2468897                     | 2254937                           | 214260        | 8.67                |

(Source: Government of India Department of Consumer Affairs)

The above table no.3 shows the strong side of District consumer forum under Consumer Protection Act a number of consumers have filed a number of complaints for their

Now the question arises- How a consumer who feels cheated can get justice or relief in the form of compensations? For this he or she can approach any consumer court by filing a written complaint on his/her own or through a lawyer. The particular court that he/she must approach depends on the value of the commodity. In case of any product or in respect of a service valuing up to Rs. 20 lakhs the affected consumer can file a written complaint before the District Consumer Forums. If the value is up to Rs. 1 crore, then he/she has to approach the State Commission. Finally, for value above Rs.1 crore, the consumer should approach the National Commission for grant of relief. According to CPA the relief should be given within 90-150 days and if a consumer is not satisfied by the decision of the District Forum he/she can challenge the same before the State Commissions. If still not satisfied with the order of the State Commission, the consumer can go to the National Commission.

**Table 2:** Fee Payable by the Consumer with Complaint

| Value of goods or services                            | Amount of fee payable |
|---|-----------------------|
| Up to one lakh rupee                                  | Rs. 100               |
| 1 lakh and above 1 lakh but less than 5 lakh rupees   | Rs. 200               |
| 5 lakh rupees and above but less than Rs.10 lakh      | Rs. 400               |
| 10 lakh rupees and above but not exceeding Rs.20 lakh | Rs. 500               |

In case complainant wants to make an appeal to National Commission and State Commission there is a requirement for depositing Rs. 35000/- and Rs. 25000/- Fee structure for the cases filed in the District Forums has been prescribed by the Ministry of Consumer Affairs, Food and Public Distribution by Rule 9A of the Consumer Protection Act 1986.

rights and most of them have been disposed. But in the Maharashtra state the picture is better. At the level of District consumer forums, five years data as follows:

**Table 4:** Pendency cases of district forum in Maharashtra state (year 2015-2019)

| Sr. No | DCF name                        | Filing cases | Disposal cases | Pending Cases | % of pending cases |
|--------|---------------------------------|--------------|----------------|---------------|--------------------|
| 1      | Additional DCF Mumbai(suburban) | 1397         | 1109           | 288           | 20.61              |
| 2      | Additional DCF Nagpur           | 2850         | 2175           | 675           | 23.68              |
| 3      | Additional DCF Pune             | 3574         | 3129           | 445           | 12.45              |
| 4      | Additional DCF Thane            | 1845         | 1640           | 205           | 11.11              |
| 5      | Ahmednagar                      | 2117         | 1307           | 810           | 38.26              |
| 6      | Akola                           | 1997         | 1563           | 434           | 21.73              |
| 7      | Amravati                        | 1232         | 1028           | 204           | 16.55              |
| 8      | Aurangabad                      | 3429         | 3068           | 361           | 10.52              |
| 9      | Beed                            | 1416         | 1331           | 85            | 6.00               |
| 10     | Bhandara                        | 592          | 452            | 140           | 23.64              |
| 11     | Buldana                         | 1123         | 845            | 278           | 24.75              |
| 12     | Central Mumbai                  | 1410         | 1021           | 389           | 27.58              |
| 13     | Chandrapur                      | 845          | 705            | 140           | 16.56              |
| 14     | DCF South Mumbai                | 1256         | 672            | 584           | 46.49              |
| 15     | Dhule                           | 947          | 799            | 148           | 15.62              |

|    |                  |       |       |       |       |
|----|------------------|-------|-------|-------|-------|
| 16 | Gadchiroli       | 224   | 185   | 39    | 17.41 |
| 17 | Gondia           | 625   | 581   | 44    | 7.04  |
| 18 | Hingoli          | 1108  | 226   | 882   | 79.60 |
| 19 | Jalgaon          | 3444  | 2427  | 1017  | 29.52 |
| 20 | Jalna            | 1113  | 980   | 133   | 11.94 |
| 21 | Kolhapur         | 2576  | 1421  | 1155  | 44.83 |
| 22 | Latur            | 1391  | 1042  | 349   | 25.08 |
| 23 | Mumbai(suburban) | 2503  | 1047  | 1456  | 58.17 |
| 24 | Nagpur           | 3788  | 2135  | 1653  | 43.63 |
| 25 | Nanded           | 5312  | 4199  | 1113  | 20.95 |
| 26 | Nandurbar        | 815   | 598   | 217   | 26.62 |
| 27 | Nashik           | 3375  | 2384  | 991   | 29.36 |
| 28 | Osmanabad        | 1953  | 1509  | 444   | 22.73 |
| 29 | Parbhani         | 1398  | 1349  | 49    | 3.50  |
| 30 | Pune             | 3873  | 2463  | 1410  | 36.40 |
| 31 | Raigad           | 3434  | 1870  | 1564  | 45.54 |
| 32 | Ratnagiri        | 398   | 289   | 109   | 27.38 |
| 33 | Sangli           | 1327  | 1066  | 261   | 19.66 |
| 34 | Satara           | 1773  | 1160  | 613   | 34.57 |
| 35 | Sindhudurg       | 258   | 173   | 85    | 32.94 |
| 36 | Solapur          | 2224  | 1429  | 795   | 35.74 |
| 37 | Thane            | 4307  | 2373  | 1934  | 44.90 |
| 38 | Whrdha           | 546   | 413   | 133   | 24.35 |
| 39 | Washim           | 626   | 511   | 115   | 18.37 |
| 40 | Yawatmal         | 1572  | 785   | 787   | 50.06 |
|    | TOTAL            | 75993 | 53459 | 22534 | 29.65 |

(Source: Confonet.com)

The table no.4 describes the overall status of pendency of cases in the entire district consumer forum in Maharashtra state. It clear state that during the given period of five years Hingoli district consumer forum had highest cases of pending 79.60% cases pending against those filed, followed by Mumbai suburban district consumer forum with 58.17% pending cases. Similarly, Parbhani district consumer forum has least pendency of cases with 3.50% cases pending against those filed followed by Beed district consumer forum with stands at 6% the district consumer forum under selected for study in this research is Nanded district consumer forum with stands at 20.95% of pending cases in this given period. Observing the data of all 40 district consumer forums, Nanded district consumer forum occupies comparatively a better ranking in terms of lowest number of pending cases.

**Table 5:** Pendency in Nanded District Forum (Year 2015-2019)

| Year  | Filed Cases | Disposed Cases | Pending Cases | % Pendency Cases |
|-------|-------------|----------------|---------------|------------------|
| 2015  | 711         | 709            | 02            | 0.28             |
| 2016  | 1390        | 1385           | 05            | 0.36             |
| 2017  | 721         | 678            | 43            | 5.96             |
| 2018  | 1306        | 1121           | 185           | 66.47            |
| 2019  | 1184        | 397            | 787           | 74.15            |
| Total | 5312        | 4199           | 1113          | 20.95            |

(Source: Confonet.com)

The table no. 5 shows that, highest number of cases filed by consumers in 2016 during this given period of five years. Against 1390 filed cases, 1385 cases were disposed off with the resultant of 0.36% cases pending. However, it is surprising to note that the pendency of cases has riched from 0.28% in 2015 to 74.15% in 2019. This clearly states the inefficiency in consumer redressal mechanism at district consumer forum level. Researcher further into details of these cases follows under

**Table 6:** Top 10 sector wise cases field in Nanded district consumer forum (year 2015-2019)

| Sr. No. | Category                      | Filed Cases | % of Filed Cases |
|---------|-------------------------------|-------------|------------------|
| 1       | Insurance                     | 3614        | 68.03            |
| 2       | Electricity                   | 351         | 6.61             |
| 3       | Banking                       | 243         | 4.57             |
| 4       | Housing                       | 155         | 2.92             |
| 5       | Finance                       | 72          | 1.36             |
| 6       | Agriculture                   | 34          | 0.64             |
| 7       | Medical                       | 23          | 0.43             |
| 8       | Railways                      | 13          | 0.24             |
| 9       | Electrical & Electronic Goods | 11          | 0.21             |
| 10      | Industries                    | 10          | 0.19             |
| 11      | Others                        | 786         | 14.80            |
|         | Total                         | 5312        | 20.95            |

(Source: Confonet.com)

Table 6 clearly states that, the highest number of cases filed in Nanded district consumer forum belong to insurance company, followed by electricity and banking sector in selected five years, the researcher were into details further and found that these insurance cases mostly crop loans given to farmers and the insurance claimed for crop failures. Looking at this facts it can be concluded the agriculture being the prime sector of this area, a special nodal officer is needed to settle the cases in this sectors for speedy settlements.

**Suggestions**

- Consumer education should be imparted formally right from High School level.
- A wider publicity should be given to consumer protection measures through T.V., newspapers. Use of audio-visual media as it is more effective to educate illiterate Consumers.
- Consumer protection movement should be strengthened by creating special training officers for fast settlements.

- It is universally accepted fact that every customer should be cautious while purchasing. He must observe and check the goods otherwise he himself is responsible for loss caused by his negligence as per sales of goods.
- Consumer district forum should motivate consumers to be caution periodically.
- District consumer forum should widely publicize about the need of purchase receipt.
- This type of negligence on the part of consumer is loss to the exchequer through tax evasion. On the other hand, he cannot complain against the without purchase receipt. Whenever deceived customer complains orally against fraudulent seller, seller just denies entertaining it on the ground that the customer does not have the receipt.
- In order to have a legal evidence of purchasing, the buyer must also get original purchase receipt, warranty cards and understand the condition of the purchase contract.
- The campaign “Jago Grahak Jago” on national network should be continued to make the consumer aware.
- The “Chalta Hai attitude” must be rooted out. Smart recognition of well aware consumer should be promoted by such forums.
- The service providing agencies such as, SEBs, BSNL, Banks, Insurance companies should provide adequate and timely services to the customers. In case of default, they must be dragged to the consumer redressal agencies and should be punished. The deceived customers should take stringent action against faulty agencies. District consumer forum are expected to channelize these matters effectively.
- In case of grievance filling, consumer is required to file complaints through lawyers. The consumer protection act can think of appropriate amendments wherein the district consumer forum them self-provide legal expertise to consumers.

### Conclusion

It is clear from forgone analysis that the majority of peoples were not aware about consumer protection act, rights and responsibility of consumers as a consumer and procedure to redressal processes the Government and District consumer forum should undertake necessary steps to awake the awareness of consumers about consumer protection. In the overall study researcher has concluded that for increased awareness of consumer. Educate to consumers through encouraging the consumer associations and several programmes, such as special workshops, Seminars, Short films etc. The consumer cases should be finalized within reasonable time period so that faith of the consumers on the consumer protection commission and forums could be enhanced. There should be proper publicity of consumer rights and consumer protection legislations on television, radio, newspapers, magazines and internet. In spreading awareness, social media and new media can play an important role. Blogs, twitter, Face book etc. should be used to educate people. For more effective performance of Consumer Disputes Redressal Agencies Central and States Government provide adequate staff to the National, State and District forums. Government should provide more facilities to the State and District forums staff for continuing daily work to clear the pending cases. The central and state Government should identify the reasons for delays in

disposal of cases.

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