

Evaluation of consumer protection council with special reference to erode district

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1 INTRODUCTION

India is a vast country where a majority of consumers are poor, helpless and disorganized. Further, the Market in India is generally a sellers Market and it is very easy to cheat the innocent consumers. It is now realized that a common consumer is neither knowledgeable nor well-informed. He/she needs support and protection from the unscrupulous seller. A common consumer is not in a position to approach a civil court. Quick, cheap and speedy justice to his/her complaints is required. The biggest help in this direction has come from the Government. The Central Government enacted a Law known as -The Consumer protection Act, 1986. Consumer protection council is a social movement which seeks to protect and argue the rights of the consumer in relation to the producers.

The following are the rights of the consumers:-

- Right to safety
- Right to be informed
- Right to choose
- Right to heard
- Right to redress
- Right to consumer Education, etc But many of the consumers are ignorant of these rights.

The consumer protection Act provides an opportunity to the consumer to approach a court if there is any lapse in the quality of the articles or services. He need not pay any fees to the court, but nominal fees is levied from 2004 onwards. At the district level each state has established a consumer Dispute Redressal Forum known as District Forum, while at the state level it is called -Rashtriya commission or state commission. The all India Forum is known as -National Commission for consumer welfare.

2. STATEMENT OF THE PROBLEM

The consumer has been considered as the king in a free market economy. A free market economy largely permits the evolution of consumer sovereignty by allowing consumers to express their preferences and tastes as between goods and services. However, in India, sovereignty of the consumer exists only in theory but not in practice. Even in the so called affluent and highly competitive economies, the consumer is not a king and in countries like India, where seller market exists, he is nowhere near a king without the -privy purse. Consumers are being exploited by the middle men and manufacturers, since time immemorial.

Majority of the consumers in the study area are illiterate, residing in rural areas with low standard of living. They are ignorant about the implications in trade and price policies adopted by the traders, which directly affect on their condition and health. Most of the consumers have a lethargic attitude. The consumers in the town areas are comparatively more vigilant and authority contains the grievances whereas the rural people are totally unorganized and ignorant and they do not create enough pressure for the administration to look after their interests. It is a fact that even the urban consumers are not alert and beyond the clutches of businessmen. As the purchasing capacity of most of consumer is at a low ebb, they do not think in terms of the quality of the goods. Seldom the consumer insists upon businessmen for standardized product as they are totally unaware about their rights. For most of the consumers, it hardly matters whether the product is marked ISI or Agmark, or not marked at all. In view of the widely prevalent consumer exploitation in India, the government has brought out a number of statutory regulations to protect the consumer's interest. Unfortunately, these measures are not effectively working towards consumer protection due to multifarious reasons. Widespread illiteracy, poverty, ignorance of consumers legitimate right and lack of organized efforts to check the market evil are among the major factors contributing to the plight of the consumer in our country. Most of the rural poor live below the poverty line and therefore are busy just keeping themselves alive. The mere struggle for survival uses up all their energies. They have neither the time nor inclination to think of their rights. The literate and educated consumer feels helpless before the might of the exploiters and therefore acquiesces to his condition.

3.OBJECTIVES OF THE STUDY

1. To study the origin and development of consumer protection movement
2. To study the problems and the services of consumer protection council.
3. To suggest better ways and means for effective functioning of consumer protection council and union consumer protection councils.

4. METHODOLOGY

The study used both primary and secondary data. The primary data was collected from the members of the consumer protection council. For this purpose a field survey was conducted comprising 400 respondents of the Erode district. The respondents were chosen by simple random sampling method. Interview schedules were used to collect first hand information from the selected sample respondents. The interview schedules were prepared with the help of the guide, judicial officials and experts in the field of consumer protection council. Field survey technique was adopted to collect pertinent information from the members of consumer protection council. Twenty consumer protection councils were selected for the purpose of the study. The researcher personally visited each and every respondent for this purpose after establishing a good rapport with them. The same style of data collection was used to collect information from all the union councils located in the different places of the study area.

The secondary data was collected from the records maintained by the union councils and the district consumer court in the study area.

SAMPLING DESIGN

For collecting primary data, field survey technique was undertaken in the study area. First, for the purpose of the study twenty consumer protection councils in the study areas were contacted in person and the

data were collected as per the requirement. These twenty consumer protection councils were contacted with a view to ascertain their role in the effective functioning of consumer protection council. The study was held for a period of six months. The details of Location of all the consumer protection councils of the study are depicted in the following table.

TABLE NO.4.1
Details of consumer protection councils in the study area

S.No	Name of the village/town	Number of union consumer protection councils
1	Anthiyur	1
2	Arasur	1
3	Ayyampalayam	1
4	Bhavani	1
5	Bhavanisagar	1
6	Chithode	1
7	Chennimalai	1
8	Erode	1
9	Gobichettipalayam	1
10	Kavindapadi	1
11	Kanjikoil	1
12	Kodumudi	1
13	Modakurichi	1
14	Nambiyur	1
15	Perundurai	1
16	Salanga palayam	1
17	Sathiya mangalam	1
18	TN palayam	1
19	Thalavadi	1
20	Vellankovil	1
	Total	20

First-hand information pertaining to the behaviour, satisfaction and problems in utilizing consumer protection council for claiming compensation from the concerned service organization through consumer protection council and the data were collected from four hundred members of the consumer protection council. The respondents Council at the rate of twenty each. The selection of respondents was made in active consultation with the Research Guide and office bearers of the consumer protection Council, So as to represent all categories such as rural, urban, rich, poor, educated and illiterate. The respondents were selected on a simple random basis from the list of members maintained by the consumer protection council office bearers.

TOOLS OF DATA COLLECTION

By virtue of Mass data obtained from survey research, as well as data of secondary sources collected and presented in the thesis, a descriptive analytical research was done, since it is considered as most appropriate for the study. The research problem, questionnaire and interview schedule were all framed accordingly. The research report emerged from the inferences drawn by using simple statistical analysis among the data collected from the consumer protection council and the selected sample respondents. The data codified electronically have been analysed with the help of several statistical tools such as Multiple regression analysis, Discriminant Function Analysis and Henry Garret ranking techniques.

5. REVIEW OF LITRATURE

Hassan (1974) in his study entitled -Contemporary consumerism- An Indian appraisalll states that consumerism as movement would remain a weak slogan as long as public confidence is not restored in the administrative and enforcement machinery of the Governments and as long as voluntary public operation remains shy. He also emphasizes that it is not only the consumer who should be conscious of his rights or the producer and the marketer who should be mindful of their duties and responsibilities but it requires an incorruptible machinery to enforce the measure adopted and a very watchful the public to discourage the wrong doer, so that the consumer feels safe.

Pat Tucker (1976) in his study entitledll Consumer reports in USAll describes the role played by the consumers union in United States. Consumers Union in U.S. grew to become the giant in its field. It provides an extensive series of manuals and other instructional materials for courses in consumer education, and it produces Radio and TV Programmes on consumer topics. It Co-Operates with local and state consumer organizations as well as the Consumer Federation of America, and contributes financially to grants and fellowships for research on consumer problems. It testifies before legislative committees and Government bodies in consumer issues, and it opened a new office in Washington to step up its monitoring and litigation efforts on behalf of the consumer.

Gupta and Lodha (1976) in their study entitled -Consumer protection need for the stringent measuresll, state that the consumer sovereignty has remains an Utopia and consumers all over the world have grossly suffered at the hands of businessman in one form or the other. He adds that the consumer awareness is high in the western countries like USA as compared to India. In our country, the consumer at large is apathetic. No amount of legal aids can protect an indifferent consumer. It is only a strong consumer movement that can be effective. The voice of an individual is always lost in the wilderness. There is an urgent need for a network of really effective consumer association in the country safeguard the interests of the consumers. They should develop their own laboratories, arrange the tests for consumer articles and publish their findings as is being done in developed countries. Consumer's own involvement to protect themselves, is a must in to statutory measures.

Machhindra K.Ghadage (1976) in his study entitled -Consumerism in banking emphasizes consumer's awareness on service oriented organization such as banking, insurance, hospital, etcl. The author states that consumer movements are indications of customer consciousness on one hand and sellers indifference towards

customers through his products and service on other hand. The findings are arrived based on the sample survey of one hundred and fifty customers of different public sector banks.

Mohammed Afifi Hamouda (1977) in his study on consumer protection in underdeveloped countries emphasizes that the consumers are not fully aware of the rights and the movement of consumer protection councils. The survey covered a sample of 2500 families in Kuwait from various strata of the society. Out of the selected sample survey it is noted that fifty percent families are not aware of consumer protection aspects.

6. ANALYSIS AND INTERPRETATIONS

TABLE NO: 6.1
MULTIPLE REGRESSION ANALYSIS - LEVEL OF UTILISATION
OF THE CONSUMER PROTECTION COUNCIL

S. No.	Variables	Mean	Std. Deviation	Standardised coefficients	t-value	Sig	S/NS
				Beta			
	(Constant)	33.158	5.579		22.685	.000	
1	Age	2.385	.8768	-.010	-.196	.845	NS
2	Sex	1.07	.260	-.163	-3.208	.001**	S
3	Marital status	1.10	.300	.006	.115	.909	NS
4	Community	2.29	.611	-.009	-.186	.852	NS
5	Educational qualification	2.44	.531	.066	1.265	.207	NS
6	Occupation	2.86	.908	-.195	-3.867	.000**	S
7	Annual income	1.40	.539	.089	1.688	.092	NS
8	Place	2.08	.752	.113	2.230	.026**	S
9	Size of the family	10.50	5.774	-.047	-.968	.334	NS

** - Significant at 1% level * - Significant at 5% level NS - Not Significant S – Significant F-Value 8.936 p-value 0.000

The table gives the variables included in the equation corresponding regression co-efficient and simple correlation value of each predictor variable with the dependent and partial correlation of each variable with that of dependent variables. Partial correlation is another important statistic which tells us what is the correlation of the each predictor variable with that of satisfaction value in the equation concerned, when the effect of remaining other predictor variable is held constant. In the same table, the table indicates that the coefficient of place are positively associated with the level of satisfaction towards consumer protection council. On the other hand the co efficient of sex and occupation are negatively associated. It indicates that sex, occupation and place are statistically significant implying their influence on level of satisfaction is stronger than other variables.

R^2 is calculated to ascertain the goodness of fit of the regression equation. The R^2 has been found to be significant at 1 per cent level.

6.2 DISCRIMINANT ANALYSIS FOR THE PROBLEM UNDER STUDY

Discriminant function analysis involved classification problem also to ascertain the efficiency of the discriminant function analysis all the variables which satisfy the entry and removal criteria were entered into the function. Normally the criteria used to select the variables for inclusion in the function is minimum F to enter into the equation (i.e) F statistic calculated for the qualified variable to enter into the function is fixed as ≥ 1 . Similarly any variable entered in the equation will be removed from the function if F statistic for the variable calculated is < 1 . The two groups are defined as

Group 1 - Low level And Group 2 - High level

The mean and standard deviation for these groups and for the entire samples are given for each variable considered in the analysis.

TABLE NO: 6.2 GROUP MEANS (BETWEEN LOW AND HIGH GROUPS)

S. No	Factor	Low		High		Total	
		Mean	SD	Mean	SD	Mean	SD
1	Age	2.3744	.89579	2.3951	.86033	2.3850	.87675
2	Sex	1.0718	.25881	1.0732	.26105	1.0725	.25964
3	Marital status	1.0615	.24093	1.1366	.34425	1.1000	.30038
4	Community	2.2462	.56616	2.3366	.64844	2.2925	.61064
5	Educational qualification	2.2872	.45361	2.5805	.55977	2.4375	.53085
6	Occupation	3.1436	.90240	2.5854	.82769	2.8575	.90788
7	Annual income	1.2308	.43444	1.5561	.57991	1.3975	.53872
8	Place	2.0256	.74222	2.1220	.76039	2.0750	.75219
9	Size of the family	10.7282	5.15762	10.2829	6.30888	10.5000	5.77350

The overall stepwise D.F.A results after all significant discriminators have been included in the estimation of discriminated function is given in the following table.

TABLE NO: 6.3 SUMMARY TABLE BETWEEN LOW LEVEL AND HIGH LEVEL GROUPS

Step	Variables entered	Wilk's Lamda	Minimum D ²	p-value	S/NS
1	Educational qualification	.905	.623	.000**	S
2	Occupation	.865	.600	.000**	S
3	Annual income	.842	.591	.000**	S

** - Significant at 1% level * - Significant at 5% level NS - Not Significant S – Significant

The summary table indicates that variable educational qualification entered in step 1, occupation entered in step 2 and annual income entered in step 3. The variables such as educational qualification, occupation and annual income are significant at 1 per cent significance level. All the variables are significant discriminators based on their Wilk's lambda and D^2 value. The multivariate aspect of this model is given in the following table.

**TABLE NO: 6.4 CANONICAL DISCRIMINANT FUNCTION
(BETWEEN LOW AND HIGH GROUPS)**

Canonical correlation	Wilks Lamda	Chi -square	D.F	Sig	S/NS
.398	.842	68.265	3	.000**	S

** - Significant at 1% level * - Significant at 5% level NS - Not Significant S – Significant

The canonical correlation in the discriminant group can be accounted for by this model, Wilks lamda and chi square value suggest that D.F is significant 1 percent level significance. The variables given above are identified finally by the D.F.A as the eligible discriminating variables. Based on the selected variables the corresponding D.F coefficients are calculated. They are given in the following table.

**TABLE NO: 6.5 DISCRIMINANT FUNCTION COEFFICIENT
(BETWEEN LOW USER AND HIGH GROUPS)**

Educational qualification	.841
Occupation	-.555
Annual income	.949
(Constant)	-1.789

$$Z = -1.789$$

$$+ .841 \text{ (Educational qualification)}$$

$$-.555 \text{ (Occupation)}$$

$$+.949 \text{ (Annual income)}$$

Using this D.F coefficients and variables discriminating scores for 2 groups are found out and are called group centroids or group means

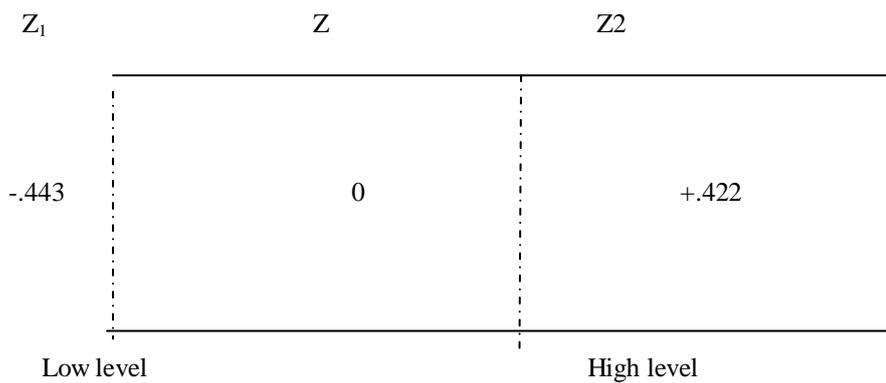
$$\text{For low level user } (Z_1) = -.443$$

$$\text{For High level user } (Z_2) = .422$$

Discriminating factor is the weighted average of Z_1, Z_2

$$\text{(i.e) } Z = \frac{(195 \times Z_1) + (205 \times Z_2)}{195 + 205}$$

It is represented diagrammatically



Thus to classify any respondent as to low or high user the Z score for the respondent is found out by using the equation. If the score found out for any respondent is Z_0 and if the value is $> Z$ (i.e. $Z_0 > Z$) then it is classified into high user and if $Z_0 < Z$ then (i.e. $Z_0 < Z$) it is classified into low user.

Now the questions remain to be answered are

1. How efficient are the discriminating variables in the D.F.A?
2. How efficient the D.F itself is?

The first equation cannot be answered directly however the discriminating power or the contribution of each variable to the function can sufficiently answer the question. For this consider the following table

**TABLE NO: 6.6 RELATIVE DISCRIMINATING INDEX
(BETWEEN LOW USER GROUP AND HIGH GROUP)**

	Group I Mean X_1	Group II Mean X_2	Unstandardised coefficient	$I_j = \text{ABS} (K_j)$ Mean $(X_{j0} - X_{ji})$	$R_j = I_j / \text{sum } I_{jj} * 100$
Educational qualification	2.287	2.581	.841	0.247	28.55
Occupation	3.144	2.585	-.555	0.310	35.84
Annual income	1.231	1.556	.949	.308	35.61
Total				.865	100

For each variable the respective D.F coefficient its mean for each group and R_j are given. R_j called relative discriminating index is calculated from the discriminant function coefficient and group means. R_j tells how much each variable is contributing (%) to the function. By looking at this column one education is the discriminating variable and the family income the least discriminating variable. The second question is answered by reclassifying the already grouped individuals into low or high level using the D.F (Z) defined in the equation.

This classification is called predictor group membership .In short the efficiency of the D.F is called predictor group membership. In short the efficiency of the D.F. is how correctly it predicts the respondents into distinct groups.

**TABLE NO: 6.7 CLASSIFICATION RESULTS
(BETWEEN LOW USER GROUP AND HIGH USER GROUP)**

Actual group	No. of cases	Predicted group membership	
		Group I	Group II
Group I	195	118	77
		60.5%	39.5%
Group II	205	60	145
		29.3%	70.7%

Per cent of grouped case correctly classified: 65.8 per cent

The above table gives the results of the re classification. The function using the variables selected in the analysis classified 65.8 per cent of the cases correctly in the respective groups. It is found that the Discriminant function analysis was applied to the respondents on low user and high user. The following factors significantly discriminate the two users. They are Educational qualification, Annual income and Occupation (1% per cent level).

6.8 PROBLEMS FACED BY CONSUMER PROTECTION COUNCILS

There are number of problems faced by consumer protection council. Some of the problems identified are lethargic attitude of consumers, lodging complaints without evidences, unable to force the court for speedy disposal of cases, no consumer court at taluk level, seeking irrelevant information by the members, disturbing the office bearers with the repeated questions, illiteracy ignorance, lack of proper organisation etc. the union councils were asked to rank the problems faced by them according to the magnitude of the problem. The following table shows a clear picture of the problem faced by the union councils. Henry Garret ranking technique was used to identify the ranks.

TABLE NO: 6.8 RANK FOR PROBLEM FACED BY YOUR CONSUMER PROTECTION COUNCIL

S.NO.	FACTORS	TOTAL SCORE	MEAN SCORE	RANK
1	Lethargic attitude of the consumer	1535	76.75	I
2	Lodging complaints without evidences	1398	69.90	II
3	Unable to force the court for speedy disposal of cases	708	35.40	VII
4	No consumer court at Taluk level	424	21.20	VIII
5	Seeking irrelevant information by members	823	41.15	VI
6	Disturbing with the repeated questions	962	48.10	V
7	Illiteracy ignorance	1193	59.65	III
8	Lack of proper organization	972	48.60	IV

Source: Primary Data

The above table 6.8 reveals the ranking of problem faced by your consumer protection council. -Lethargic attitude of the consumer|| was ranked first by the selected sample respondents with the total score of 1535 and mean score of 76.75. -Lodging complaints without evidences|| was ranked second with the total score

of 1398 and mean score of 69.9. -Illiteracy ignorance and Lack of proper organization occupied third and fourth position with the total score of 1193 and 972 and mean score of 59.65 and 48.6 respectively. -Disturbing with the repeated questions was ranked fifth with the total score of 962 and mean score of 48.1. -Seeking irrelevant information by members occupied sixth position with the total score of 823 and mean score of 41.15. -Unable to force the court for speedy disposal of cases and No consumer court at taluk level occupied seventh and eighth position with the total score of 708 and 424 and mean score of 35.4 and 21.2 respectively. It is evident that most of the respondents gave top priority to -Lethargic attitude of the consumer as the first rank for of problem faced by your consumer protection council.

7. SUGGESTIONS and CONCLUSION:

1. Giving wide publicity to these provisions of Consumer Protection Council Act, 1986 through the media like press, TV, Radio and public meetings are very much essential to create awareness among the public.
2. Providing the Consumer education, lectures, Seminars, dramas, folk arts, street plays, posters, pamphlets, and books, may create consumer consciousness, discerning shopping skill and make them assertive of their rights.
3. Consumer rights and responsibility may be included in the school level syllabus starting from fifth standard onwards. The curriculum should be spread over primary sections and it will help students to learn the basic concepts of consumerism, the students who enter into higher secondary classes are required to study the laws and regulations pertaining to Consumer Protection.
4. Establishment of mobile Consumer courts and offices of settlement commissioners for free, easy and speedy means of legal redressal to aggrieved consumers is a must.
5. -No, pain, no gain, is the right technique for Consumer protection. The Consumer must be aware of his basic rights and should fight for these rights. The famous principle of -Caveat emptor- Let a buyer beware - must be replaced by -Caveat Venditor- Let a seller beware- by strong determination on Consumer side.. A Voluntary activity is an activity in which people contribute their time and energy without compulsion. The people in the Voluntary Organization should work with a spirit of dedication and fight for a common cause which is in the interest of the entire society, with the same objective the Voluntary organizations should work and render their services to meet specific goals which are important for the consuming society as a whole.

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