

## **1.1. CONSUMER BEHAVIOUR**

### **1.1.1. Meaning of Consumer Behaviour**

Consumer behaviour is also termed as **consumer buying behaviour**, **end user behaviour** or **buyer behaviour**. Broadly, it is decision-making process of individuals to allocate their potential resources, i.e., time, effort and money for consumption purpose. In order to understand the consumers' tastes and preferences, analysis of their buying behaviour is the most preferable method. **For example**, if marketers want to study the behaviour of consumers in buying toothpaste, then they should analyse certain points such as variants (gel, regular, stripped or with a pump), brands (national brand, generic brand, private brand), reasons for buying (to prevent cavities, to remove stains, to brighten and whiten teeth, to get rid of bad mouth odour), places of purchase (super market, general stores, medical stores), usage frequencies (in the morning, after every meal, before going to bed), and the consumption rates (monthly, biweekly or weekly).

**According to Belch and Belch**, "Consumer behaviour is the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires".

**According to Leon G. Schiffman and Leslie Lazar Kanuk**, "Consumer behaviour can be defined as the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs".

### **1.1.2. Nature of Consumer Behaviour**

The nature of consumer behaviour is discussed below:

- 1) **Varies from Customer to Customer:** The manner in which all the consumers behave is not the same, i.e., it varies from one consumer to another. Several individual factors like, the person's culture, his life style, his social class, etc., are responsible for this variation.
- 2) **Varies from Product to Product:** The behaviour of consumers also varies according to products. The consumers may buy large quantity of one product, whereas they may consume very little or nothing of some other product.



- 3) **Varies Across Geographical Regions:** The behaviour of consumers also varies across regions and geographical locations. **For example,** the behaviour of consumers in rural and urban areas differs from each other. Rural consumers purchase sachets of shampoos, whereas urban consumers tend to buy large packs. Similarly, the consumers of South India vary in their behaviour from the consumers of North India for the products like hair oil, edible oil, etc.
- 4) **Important for Marketers:** It is very important for marketers to have an understanding of consumer behaviour. They need to understand the tastes, habits, likes and dislikes of their customers as well as prospective customers. This knowledge helps the marketers in making decisions regarding marketing mix and in designing other marketing programmes.
- 5) **Reflects Status:** The buying behaviour of a consumer depends on his status. At the same time, the kind of products and services that he buys also reflects his status. A person who buys luxury products like, Mercedes Benz or a Rolex watch is considered as a person of superior social status in the society.
- 6) **Results in Spread-Effect:** The buying behaviour of consumers also has a spread-effect, i.e., the purchase of certain product made by one consumer may encourage another person to buy the same product. A person may decide to purchase those brands of cars, electronic items, watches, TVs, etc., which his friends and colleagues usually buy. This is one of the reasons why companies use celebrity endorsements to promote their products.
- 7) **Improves Standard of Living:** The consumer behaviour also results into improved standard of living for the consumer. The consumer increases his quality of life by buying superior quality of products and services.
- 8) **Varies from Time to Time:** The behaviour of consumers can also evolve over time. This is because of changes in the person's education, social status, stage in the family life cycle, disposable income, etc. **For example,** a person who travels by his scooter may decide to buy a car after his promotion and increase in family members.

### 1.1.3. Scope of Consumer Behaviour

Discussed below is the scope of consumer behaviour:

- 1) **Consumer Behaviour and Marketing Management:** Successful business firms recognise the immense role played by marketing in their success. Marketing programmes can succeed only if there is a deep

understanding of the behaviour of the consumer. In many respects, understanding consumer behaviour is considered an essential component for implementing a marketing programme and a thought process that governs the mindset of most marketing managers. The core of the marketing initiatives of an organisation centre around three concepts—needs and wants of the consumers, objectives which govern the company and integrated strategy adopted by the organisation.

- 2) **Consumer Behaviour and Non-profit and Social Marketing:** Consumer behaviour has its scope in non-profit and social marketing. It is worthwhile to consider if the alleviation of criminal tendencies, family planning initiatives can be sold in the same manner in which FMCG products are sold. Many experts share the opinion that even social initiatives need to be marketed by understanding the behaviour of a core set of customers or target segment, in the same manner of FMCG products. This marketing is done by institutions like NGOs, government agencies, religious bodies, etc. These groups have to create a public appeal for obtaining their support. A very good understanding of consumer behaviour, therefore, becomes a necessary activity for all organisations which are engaged in social work and non-profit organisations.

- 3) **Consumer Behaviour and Government Decision-making:** Recently, the extension of consumer behaviour has also been seen in various governmental decision-making areas like:

- i) **Government Services:** The government sector has gained immensely by understanding how consumers behave and interpret the various governmental schemes and agencies. One example is the frequently cited failure of mass transportation system. Experts revealed that government will not be successful in this endeavour until they understand the needs and wants of the consumers. Until then the consumers will prefer to use private means of travel as opposed to mass transportation systems.

- ii) **Consumer Protection:** Many government bodies also regulate businesses with the aim of safeguarding the interests of consumers. Governmental programmes also reinforce certain activities positively (safe drinking) and some others negatively (drinking alcohols, smoking cigarette, etc.).

- 4) **Consumer Behaviour and De-Marketing:** Nowadays, many

products and services are increasingly falling in the category of scarce products. Examples are water and electricity. The excessive and wasteful consumption of these products is discouraged and consumers are motivated to conserve such products. Consumers are



also made to reduce the consumption of those products and services which have a detrimental effect on their health, society, etc. Many educational programmes and initiatives have been formed to explain the disadvantages and wrongful acts of society like dowry, gambling, etc. Such initiatives are typically taken by the government, NGOs, development bodies, etc., and are aimed at reducing the consumption of a good or service, also known as demarketing.

- 5) **Consumer Behaviour and Consumer Education:** Consumers are also benefited by getting a perspective and understanding of their behaviour. It can be attained by analysing the behaviour of a single customer or by undergoing a formal education programme. **For example**, when consumers get to know that a large portion of consumer purchases occurs in the form of unplanned or impulse purchases, they try to plan their purchases in a better manner. Similarly, marketers can also plan their activities in a better manner after learning about the various factors that influence consumer behaviour.

### 1.1.4. Buying Roles of Consumers

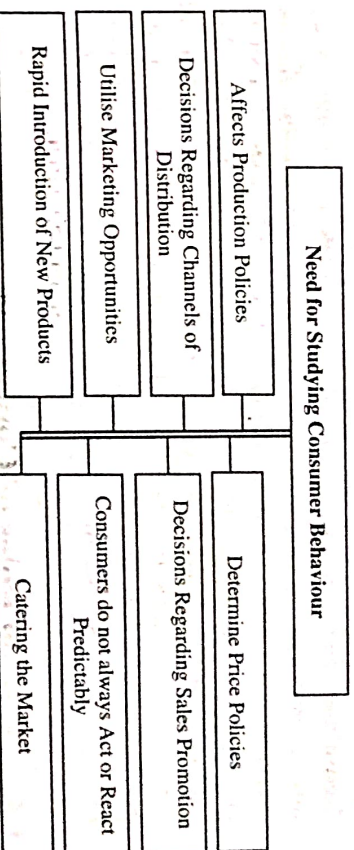
Individuals normally play six different roles while purchasing an item:

- 1) **Initiator:** The initiator is the individual within whom the thought of buying certain product develops originally.
- 2) **Influencer:** The influencer plays a role of influencing the purchase decision of some other person. He may be a person of good social status, e.g., a professor can be an influencer for the purchase decisions of students associated with him.
- 3) **Decider:** The decider is the individual who makes the ultimate decision to purchase the product. These include the decisions of what to purchase, when to purchase, how to purchase, from where to purchase, etc. **For example**, children are the deciders for some products, such as, toys. Similarly, housewives decide on the purchase of many household items like groceries, cosmetics, home appliances, etc.
- 4) **Gatekeeper:** The gatekeeper is something or someone who helps the consumer in deciding to purchase certain product out of all the alternatives available. Gatekeeper can either be a person, or an organisation, or just a pamphlet, etc.
- 5) **Buyer:** The person who actually purchases the product is known as buyer. **For example**, a wife may be the decision-maker on what brand of kitchen appliance to buy, but the buyer could be the husband.
- 6) **User:** The person who actually uses the product or avails the service is known as user. **For example**, an infant may not be the buyer of a toy but he certainly is the user of it.

A marketer has to analyse the buying process, various stakeholders involved in it, and different roles that they play during the process. He should decide suitable strategies for influencing each of them to buy his product.

### 1.1.5. Need for Studying Consumer Behaviour

Below mentioned are the main reasons for studying consumer behaviour:



- 1) **Affects Production Policies:** Organisations need to study consumer behaviour as their production policies depend upon it. The variation in the taste, preferences and habits of the customers are determined by studying their behaviour which further helps in planning production strategies. In order to implement the required changes in the products, it is vital for the firms to have a close eye on the consumer behaviour.

- 2) **Determine Price Policies:** Pricing policies are also determined on the basis of consumer behaviour. In many regions, most of the products are sold due to their lower prices. Thus, the prices of such products are not suitable to increase. While on the other hand, there are many products which are bought as they add to the status and prestige of the customer. The social status and prestige of the customers can be used to determine the price of these products and thus are easy to increase. Thus, the behaviour of customers regarding particular products determines their pricing policies.

- 3) **Decisions Regarding Channels of Distribution:** Economical distribution channels are vital for those products which are sold mainly because of their low prices. On the other hand, some different distribution channel should be used for those products which require after sales service such as TV set, air conditioners, and so on. Thus consumer behaviour also determines the decisions related to the distribution channel.

- 4) **Decisions Regarding Sales Promotion:** Companies analyse the behaviour of the customer to take decisions related to sales promotions.



The various motives of consumers behind buying a product are analysed by producers which are further implemented in the advertising media to increase the desire of the customer. There are a number of decisions related to the packaging, brand, discount, gifts and so on, which are taken into account after studying consumer behaviour.

- 5) **Utilise Marketing Opportunities:** By studying the consumer behaviour, it is possible to have an in-depth knowledge of needs, aspirations, expectations, and problems of the customers. Such information can be used by the marketers to utilise the various marketing opportunities and overcome challenges.
- 6) **Consumers do not always Act or React Predictably:** In the past, customers were sensitive towards any change in price levels. They believed that the price and quality are directly related to each other. But now customers prefer to have value for money, superior features at a lower price which reflects the latest shift in their behaviours.
- 7) **Rapid Introduction of New Products:** The study of consumer behaviour becomes more significant mainly due to rapid changes in technology which lead to the introduction of new products.
- 8) **Catering the Market:** Since the customers are constituents of the market, it is important to analyse their behaviour so as to cater their needs in a better manner. In order to provide the desired customer satisfaction and delight, it comes quite vital to determine the target market before the production.

### 1.1.6. Factors Influencing Consumer Behaviour

There are various factors and determinants which directly influence the buying behaviour of customers. They are as follows:

- 1) **Cultural Factors**
  - i) **Culture:** Culture is the key element for determining individual's buying behaviour. The cultural factors influencing the features of a society consists of earned values, norms, rituals, and symbols. **For example**, a child attains a defined set of values and behaviours from his family, friends and key institutions. In U.S., a child is open to adapt values such as individualism, freedom, external comfort, humanitarianism, efficiency, practicality and youthfulness.
  - ii) **Sub-culture:** A culture has several sub-cultures which assist the marketers to easily recognise and socialise with its customers. It includes nationalities, religions, racial groups, and geographic regions. Many a times, these sub-cultures are defined as a market segment and marketers offer products based on their needs and wants.

iii) **Social Class:** Mostly, every individual in the society is a part of some social class. These social classes are defined on the basis of caste system which indicates specific roles, which cannot be changed. Often, the caste system is transformed into a social class. Social classes are comparatively identical and permanent societies. These classes share similar interests, behaviour, and values.

### 2) Social Factors

i) **Reference Group:** A person or a group who is identified as a reference to an individual, defining the fundamental or fixed attitudes, behaviours or values, is known as a 'reference group'. Being a social class member, an individual always compares his abilities and opinions with the defined abilities of a reference.

ii) **Family:** Buyer's behaviour is largely influenced by his family members. Family is the main buying organisation in the society. There are two types of families, such as:

a) **Family of Orientation:** An individual attains an orientation from parents towards their religion, politics, self-worth, etc. It is usually observed that grown-up children who are living with their parents signify them as their ideal reference group.

b) **Family of Procreation:** In this type of family, the buying behaviour is affected by every family member such as spouse, children, parents, etc. They purchase products considering the requirements of every individual in a family.

iii) **Roles and Status:** A person performs different roles and has different status in various groups such as family, organisation, clubs, etc. The activity performed by a person is defined as a role and every role carries a status. **For example**, an RBI manager has more status than a sales manager and a sales manager has a more status than a receptionist. This is because of the difference in their income, which directly affects the status of the individuals. Therefore, the buying decision of an individual is largely based on its role and status in the society.

### 3) Personal Factors

i) **Age and Stage in the Life Cycle:** The requirements of a person changes with his age. Different stages in life need different sets of products. **For example**, in childhood, baby food is consumed and in youth healthy food is consumed. Things like taste of clothes, home decor and recreational activities are also related to age. Therefore, consumption pattern is created on the basis of family lifecycle.



ii) **Occupation and Economic Circumstances:** The consumption pattern of an individual is also affected by the occupation. **For example,** a blue-collar employee will buy necessary items like formal clothes, office shoes or lunchbox. While, a company head will buy luxury items like air travel tickets, country club membership, or a large sailboat. Here, marketers target those consumers who have high amount of interest in their products. The selection of products also varies in regard with the economic circumstances such as monthly income, savings, purchasing power, assets, debts, etc.

iii) **Lifestyle:** Lifestyle is a certain way in which an individual lives his life. It may comprise of individuals' activities, interests, opinions, etc. The lifestyle also depicts the manner in which a person interacts with its surroundings. A marketer needs to find out the product which is most suitable for customers' lifestyle. **For example,** a person belonging to upper class will buy only luxury cars because it suits his lifestyle.

iv) **Personality:** The personality is an individual characteristic of a person. These are distinctive psychological features that lead to relatively constant and long-term responses to the market environment. Personality can be helpful in defining the consumers' behaviour but the type of personality should be identified precisely and there should be a strong relation between the personality type and the products.

#### 4) Psychological Factors

i) **Motivation:** It is a reason to act in a particular way. The reasons can be physiological or psychological, which usually arise out of human needs and wants. These physiological needs can be hunger, thirst, and discomfort while the psychological needs can be self-esteem, recognition, or belongingness. A need acts as a motive when it reaches a certain level of intensity then it pushes a person to act in the same direction.

ii) **Perception:** It is a process or a way of looking at a person or a thing. It not just depends on the physical stimuli rather it also involves the reactions received from the surroundings and thinking process within the individual. All these factors combine to form a perception.

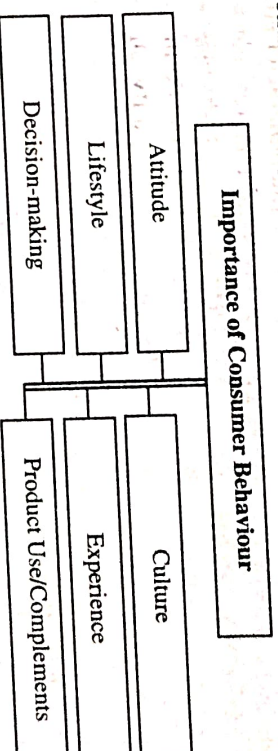
iii) **Learning:** It is a process of acquiring skills, knowledge and experiences. Learning leads to changes in one's behaviour mainly with the increasing knowledge and experience. It generates out of the drives, stimuli, responses, cues and reinforcements. Learning enables one to take wise decisions.

iv) **Beliefs:** Beliefs are attained through actions and learning which strongly influences the buyer's behaviour. It is an idea that an individual accepts as being true. Belief depends upon one's faith, trust, and opinion for a person or a product. **For example,** customers have a lot of faith or beliefs on goods and services delivered by Tata Group.

v) **Attitude:** Attitude is a certain way of feeling or acting towards a particular thing or a person. People have different attitude towards areas like religion, politics, clothes, music, and food. Attitude is a like or dislike for a particular object which assists the buyer to decide about a certain product.

### 1.1.7. Importance of Consumer Behaviour

The study of consumer behaviour assists the marketers, to identify the customers' views and opinions about a specific product or service. On the basis of consumers' perception, marketers get an opportunity to make improvements and re-build the image of a product. It also provides an added competitive advantage over competitors:



1) **Attitude:** Attitude defines the consumers' philosophy towards a specific product. This helps the marketer to renovate and improve the specific product and again approach the consumer to buy it. This also enables the marketer to strengthen its marketing ability.

2) **Culture:** The marketing operations are widely influenced by the changing demographics. Therefore, understanding of cultural differences and sensitivities may prove advantageous to marketers for recognising their target market and customers.

3) **Lifestyle:** Lifestyle based products are in trend. By analysing the consumer lifestyle, marketers can sell those products which are most appealing to the customers. Thus, a particular segment is offered lifestyle products for their further consumption and satisfaction.



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4) **Experience:** After consumption of a product, experience also influences further buying decisions of a customer. The marketer must be vigilant enough to observe and understand the consumers' experience with a product and accordingly promote the product.

5) **Decision-making:** While decision-making consumer use their thought process. The marketer must try and find out a way through which consumers can make a decision while evaluating a certain product. If a marketer is able to identify the key points which the consumer looks up in a product then this act leads the marketer to run the business successfully.

6) **Product Use/Complements:** Marketing is not just about selling of a particular product, rather recognising the use of a product and its supporting items which add more value to a product. This helps the marketer to design a perfect product, keeping in mind the requirements of customers. This is a vital tool to attract more customers.

### 1.1.8. Difference between Consumers and Customer

Customer is basically defined as a person who buys the products and services of a company against certain sum of money. A customer can also be referred to as a purchaser, buyer, or client who purchases or uses goods and services offered by an individual or a company entitled as vendor, supplier, or seller. A person can be called as a customer when he buys or pays rent for any products and services. But in some situations, customer is the person who experiences or utilises the services of another person. Similarly, a person who only watches a product which is available for sale but decides not to buy it, can also be referred to as a customer. The basic difference between a customer and a client is that a customer is the buyer of 'products', whereas a client is the buyer of 'services'.

Customer is derived from the word 'custom', which means tradition or routine. A customer is a person who instead of going to any other store chooses to visit a specific store for buying only those products which are available at that particular store. Customer is the one with whom the seller has to establish a relationship in order to expect or ensure repeat purchases. Consumers are generally the end users of products and services, no matter whether they have paid for it or not. Any entity, either an individual or a household, which consumes goods and services produced within an organisation, is known as consumer. In different cases, the meaning and importance of consumers may differ.

The word "Consumer" is defined more liberally in the "Consumer Protection Act, 1986" of the Indian Constitution. This law states that a consumer not only utilises the products and services for his personal use,

but also uses them in order to earn his living. **For example**, if a restaurant is running on proprietorship basis then an individual will be the only owner of the company. If a 'Mixer-Grinder' is bought in the name of the owner of the restaurant then according to the Consumer Protection Act, 1986, he will be referred to as consumer of that 'mixer-grinder'.

Customer and consumer can be differentiated in following ways (Table below):

Customer	Consumer
1) A customer may be a consumer.	1) A consumer may not necessarily be a customer.
2) Customer is the person who purchases or can purchase a product.	2) Consumer is the end user of a product.
3) A person, who uses certain product of certain brand, is a customer.	3) A person, who consumes or experiences a product irrespective of its brand, is a consumer.
4) A customer is a person who acquires or purchases a product, no matter whether he uses it or not.	4) Consumer is the person who ultimately uses the product or avails the service.
5) <b>For example</b> , let us suppose that purchasing department of a company is the customer. In an organisation, each department places order according to its needs, such as raw material in the manufacturing department, stationary items in the administrative department, etc. Then, the purchasing department places order for all the products on behalf of the other departments. Hence, purchasing department is the customer but the administrative, manufacturing, and all other departments are the consumers.	5) <b>For example</b> , let us consider that a consumer is a client of a grocery store. The person regularly used to purchase groceries from that store for the purpose of consuming them. The owner of grocery store purchased those items from farmers, manufacturers, vendors, etc., in order to sell these items from his store. Then the grocery store is the customer of the farmers, and the clients are the consumers of the grocery store.

## 1.2. CONSUMER BEHAVIOUR IN INDIA

### 1.2.1. Introduction

The primary reason behind upsurge of India in the global economy is the Indian consumer. India is emerging as a centre of IT, automobile and shopping for Indian as well as foreign investors. India is a heart of textile industry especially that of synthetic clothes.



The growth of Indian economy in the early part of the 20th century was slow and uneven. It was characterized by a low rate of growth, a high level of unemployment, and a large rural population. The Indian economy was largely agrarian, with a small industrial sector. The growth of the Indian economy was slow and uneven, with a high level of unemployment and a large rural population. The Indian economy was largely agrarian, with a small industrial sector.

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iii) **Aspirational levels:** The Indian consumer is becoming aspirational day by day. They have developed a refined taste that matches with those of the developed countries. Hence, Indian consumer is demanding the products at par with those in the developed countries. Hence, there is demand for more aspirational products. It's not necessary that the aspirational products should be very expensive. What the consumers really want are those products which are designed in a way to offer maximum benefit. Hence, companies are now mainly concentrating on the significance of designing while advertising for the same.

iv) **Value Consciousness:** Although Indian consumers like to spend more, yet they have not given up their value consciousness. The past few years has experienced rise in purchasing of luxury goods but it was not done at the cost of value consciousness.

Even the most established brands like Apple and BMW as to continuously struggle to meet the value conscious demands of the Indian customers. While buying even luxury products, value consciousness is rarely compromised. The consumer of today like to spend more time on comparing and contrasting the features offered by different brands in terms of value.

v) **Working Women:** There has been tremendous growth in the number of working women since later parts of 1990s. This segment has created numerous opportunities for marketers in India. The working woman has created her own image beyond the four walls of the home. Today she is walking shoulder to shoulder with the male folks. Working women are capable enough to make independent purchasing decision regarding the goods they like.

vi) **Traditionalism:** The middle class is essentially traditional. While buying something, these people are extra careful as their primary focus is on saving instead of buying. They like to spend quality time with their family members instead of spending it on extravagance and meriment. They like to spend more time in knowing about the product before purchasing it. Brand image is equally important for them along with its usage and durability.

vii) **Better Purchasing Power:** Today the market of luxury product has experienced a sudden boom which was insignificant in the last decade. The primary reason for this change is rise in the purchasing power of the people of India.

There is rising awareness among consumers of India regarding pricing, quality and choices. The consumer of today keeps in mind all these aspects while buying something. In present scenario, price is not sole decisive factor in purchasing as in case of past.

viii) **Social Awareness:** There is rise in social awareness among Indian consumers. They have starting believing in the virtues such as honesty, truthfulness, transparency and ethical practices. The consumers also pay a lot of importance to the social aspects of the product. The brands reflect this social responsibility through its CSR campaigns where they try to create a good position of the brand in the minds of the customers. However, marketers are unsure about its affect on the sales ratio. Anyhow, the influence can be experienced in the long run.

ix) **Brand Switching:** The rise in competition has enabled customers to consider various alternatives. There are numerous options in front of the consumers be it vehicles, Smartphone or consumer goods. The availability of numerous options, helped consumer to easily switch from one brand to another. As the features of the product are what actually matters, the brand managers need to focus on the distinguishing features of the product to win customers' loyalty.

### 1.2.3. Need for Studying Indian Consumer Behaviour

Following are some underlying aspects for which there is need to study the consumer behaviour:

1) **Decision-making:** The study of consumer behaviour gives valuable insights to the marketers for making strategic decisions. Hence consumer behaviour is considered to be an applied discipline. There are two different perspectives to it. At micro level it helps in solving problems of a person or organisation. At macro level it adopts a societal perspective where it helps in solving problems faced by the society at large.

2) **Product Usage:** It is vital to know that how the product will be used by the consumer and what other products will be used along with it. This knowledge enables marketers design the product accordingly, along with making the complementary products for attracting the consumers. **For example,** along with bleaching product pre-bleach and post bleach creams are offered for better effects.



5. Consumer Perspective The consumer of today is not in as good a position for today's technological drive as were their ancestors. Choices in front of the consumer which make it very difficult for them to make a decision. They have more choices, products, brands, products, they have more information and they have to deal with them and get a firm answer. They and they have to deal with numerous communications channels (primarily by e-mail, but the consumer is better off to spend the first 30 seconds looking at what the consumer wants, for making a decision is about the same as the consumer. It is very difficult for the consumer to be very satisfied about the consumer's decision.

The absence of representation of the people of the United States in the Senate is a serious defect in the Constitution. The time of the Convention of 1787 was not a time of universal suffrage, and the people were not represented in the Senate. The Senate is a body of men who are not elected by the people, and who are not responsible to the people. The Senate is a body of men who are not elected by the people, and who are not responsible to the people. The Senate is a body of men who are not elected by the people, and who are not responsible to the people.

The statement is the source of all previous resolutions in modern law, it is said that the statement is the duty of the teacher. However, whether the statement is or should be, the "rule of statement" that is really the product of the statement is different. It is like a law. The statement is not only regulated and well informed, others in foreign lands, even the teachers' own pupils, should even to improve, cultivate, and then reach perfect maturity and development. Of course, we still are regulated and have to live with their "good" type of study, again in Chinese type in the world, etc.

The Congress has been more vigilant in its consideration of the proposed many other projects were being introduced in its session. There were no legal grounds available to challenge the project. But there is a possibility that the Washington Post has presented that it was the responsibility of the Congress to be certain while passing a resolution to secure the best remedy given the organization is under and around the world to give adequate answers to the. The fact does indicate the responsibility of securing the needs of public and service to the public. The fact does indicate that there is a chance and more consistent with a typical the process of that type of Congress introduced a subject to the House because it is a collective approach to solve the responsibility and improve that by any representative of Congress. However, it is not possible that was used against the past introduction and introduction to the House against other laws passed Congresses. It is not the duty of the House and certain support. The Congress American Congress Congresses should be Congress legislative and give the House and Senate to be under their against other laws passed. It is not the duty of Congress. However, that is to support and improve the Congress and make that their against the industry. It is not the duty of the House to that and the House receive guidance from against introduction other House structure of security and protection. The House of Congress and the House of Congress. However, that is to be responsible to make and the Congress of Congress. However, that is to be responsible to make and the Congress of Congress.

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jam, butter, etc.), appliances made of low quality raw material (electric press, pressure cooker, etc.), spurious and sub-standard drugs, etc. The loss which is resulted from these products must be compensated to the customer.

- 2) **Right to be Informed/Right to Representation:** A consumer has the right to have all the information about the products and services. Depending upon such information, the customer can make decision regarding purchase of a certain product or service. The information related to quality, quantity, price, potency, date of manufacturing method of use of the product should be provided to the customer by the producer in a proper manner so that the consumer choose the right product.
- 3) **Right to Choose:** Among the large variety of products and service available in the market, the customer has the right to select particular product/service depending upon his or her choice. If simple words, the producer cannot use any unfair mean to influence the choice of customer. If some attempts are made, it will be treated as the interference in the right to choice.
- 4) **Right to be Heard:** Consumers have the right that their complaint are heard. According to this right, a customer can file a complaint against all the parties which are deemed to be prejudicial to his interest. Unless the customer has the right to file the complaint, all the above stated rights (Right to safety, Right to be informed and Right to choose) become meaningless. For facilitating the right to be heard, various consumer service cells have been established by many large organisations, whose main purpose is to hear customer complaints alongwith redressing them by taking adequate measures.
- 5) **Right to Seek Redressal:** As per this right, compensation will be provided to customers against unfair trade practices of the seller. For example, compensation can be claimed by the buyer if the quality and quantity of the product do not match as per the claims. There are number of methods by which compensation can be provided to the customers such as taking back the defective product, refund of money, repairing the defective product, changing the product, etc.
- 6) **Right to Consumer Education:** Providing continuous education regarding the rights of the consumer is known as right to consumer education. In simple words, customers should know their different consumer rights if they face any kind of loss due to defective good and services. In order to educate the customers, different types of measures have been initiated by the government.

For example, "Upbhokta Jagran" is a quarterly magazine published by Ministry of Civil Supplies, "Samrakshan Upbhokta Ka" program is telecasted by Doordarshan and on March 15 every year, Consumer Day is observed.

### 1.3.3. Responsibilities of Consumers in India

Specifically, the responsibilities of Indian consumers may include the following:

- 1) **Responsibility of Self-help:** It is always desirable that a consumer should not depend on the seller for information and choice as far as possible. Consumers are expected to act in a responsible manner to protect themselves from being deceived.

An informed consumer can always take care of his/her interest more than any one else. Also, it is always better to be forewarned and forearmed rather than getting remedies after suffering a loss or injury.

- 2) **Proof of Transactions:** The second responsibility of every consumer is that the proof of purchase and documents relating to purchase of durable goods should be invariable obtained and preserved. For example, it is important to get a cash memo on purchase of goods. A customer should remember that in case you have to make any complaint about defects in goods, the proof of purchase will enable you to establish your claim for repair or replacement of the goods. Similarly, durable consumer goods like TV, refrigerator, etc. carry warranty /guarantee cards issued by the dealers. The cards entitle you to get the service for repairs and replacement of parts free of cost during a certain period after purchase.

- 3) **Proper Claim:** Another responsibility that consumers are expected to bear in mind is that while making complaints and claiming compensation for loss or injury, they should not make unreasonably large claims. Very often, consumers have to exercise their right to seek redressal in a court. There have been cases in which consumers claimed huge compensation for no apparent reason. This is regarded as an irresponsible act which should be avoided.

- 4) **Proper use of Product/Services:** Some consumers, especially during the guarantee period, make rough use of the product, thinking that it will be replaced during the guarantee period. This is not fair on their part. They should always use the products properly. Besides the above responsibilities, consumers should be conscious of some other responsibilities.



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- 5) **Cooperate With the Seller if Needed:** There could be situation when a consumer has to cooperate with the seller. **For example,** if too many consumers vie with one another to get a product or service in short supply, the seller may want the buyers to come in a queue and take it on first-come-first-served basis. Moreover, buyers should not try to misuse their rights to exploit or embarrass the seller. They should give the first opportunity to redress their complaint to the seller himself, going to the consumer court should be the last resort. Likewise, there could be occasions when the seller himself may be helpless, as at times when the producer refuses to take back defective items from the seller. On such occasions, if the seller so desires, the consumer should join him in pressuring the producer to replace the defective item free of cost.
  - 6) **Avoid Inconvenience to Others:** Consumers, even while they assert their rights from sellers or producers of products or services should not cause trouble or inconvenience to others. When they resort to dharna or such type of agitations, it should not cause problems to the public.
  - 7) **Do Not Personalise Issues:** Consumers should make it a point to complain against the system that causes them problems, and not against individuals, who may be replaced by others who may be as helpless or useless as the former.
  - 8) **Be Well Informed:** Consumers should try to be well informed, as far as possible, about the issue of their complaint. They must read and understand the terms of sale before buying goods, especially before lodging complaints. It is often found that people sign forms where they may surrender their rights of appeal by accepting certain clauses in fine prints in a hurry or for want of knowledge or out of sheer carelessness.
- This will make them ineligible to claim their rights. **For example** most of the medical insurance policies would provide reimbursement only if the patient is admitted into a hospital atleast for a day for treatment of their ailments. Consumers who are not aware of this clause waste their time and the insurers' in wasteful litigation.
- 9) **Understand the Grievances Redressal Process:** Consumer should have, to the best of their ability and understanding, a clear knowledge as to whom they should approach for redressal of their grievances. Instead of going to civil courts for ordinary issues such as poor quality of goods or the producer not keeping his or her

promise of guarantee, the consumer should approach the dealers directly or if they are quality certified, the certifying authority for redressal. This would avoid wastage of time, efforts and resources on both sides.

- 10) **Buy Goods from Authorised Agents:** As far as possible, one should buy goods or services from genuine authorised agents, after paying due taxes and obtaining bills and receipts. If one tries to avoid sales tax and does not insist on a receipt, it may be a case of 'penny wise and pound foolish' later on, if one wants to lodge a complaint with courts or other government agencies.

### 1.3.4. Meaning of Consumerism

**Consumerism** can be seen as an organised movement of the government and citizens for reinforcing the power and rights of customers with reference to sellers. It is a concept and ideology which is used quite a lot in business literatures. Due to unfair trade practices, a consumer faces several harmful environmental and physical exploitations for which he/she needs protection.

**For example,** a customer needs protection against unsafe products like adulterated food products, drugs, defective electrical appliances, etc. Such protection safeguards customer against the deceit and malpractices of sellers. Thus, appropriate rights and duties should be given to customers in order to find remedies against defaulting sellers.

**According to Cravens and Hills,** "Consumerism is a social force within the environment designed to aid and protects the consumers by exerting legal, moral and economic pressures on business".

**According to Philip Kotler,** "Consumerism is a social movement seeking to augment the rights and powers of the buyers in relation to sellers".

Consumerism is a policy framework or movement with its main focus on controlling the products/services, standards of manufacturers, methods of trading, sellers and advertisers in interest of customers. Such policies and regulations can be in the form of statutory, institutional or embodied voluntary codes either acquired by a certain industry or different consumer organisations.

#### 1.3.4.1. Need for Consumerism

The need for consumerism is as follows:

- 1) **Limited Literate and Aware Population:** In India, a major portion of the total population is illiterate, uninformed and ignorant.



2) Thus, organising consumers becomes a very difficult task. The problem becomes more severe as citizens belong from different types of culture, religion and language. In such a scenario, consumerism becomes essential for spreading information about rights and duties of the customers.

3) **Economic Inequality:** When the customers are competing with the producers and sellers, their economic situation is quite poor. The price, size, quality and weight of products can be easily manipulated by the seller.

Customers, on the other hand, depend solely on the sellers for obtaining required products/services. Hence, a consumer requires various types of protections against the malpractices performed by the sellers.

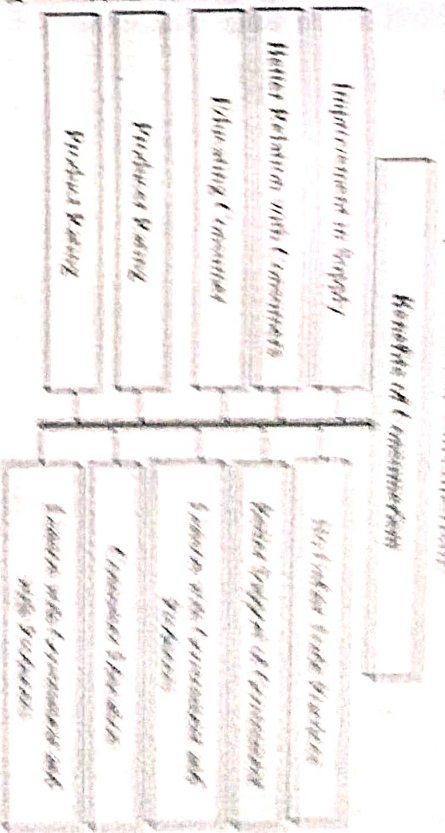
4) **Huge Variety of Products and Services:** Due to rapid advancements in science and technology, the manufacturers and producers are now able to produce countless variety of products and goods. There are numerous producers for similar type of products. Although, this creates massive alternatives and variety of products for customers but also adds to the complexity and confusion while choosing the right product. Thus, an expert guidance is required by customers.

5) **Deceptive Advertising:** One of the most effective methods of sale promotion is advertisement. Considering the present marketing scenario, advertisements have become more deceptive in nature. Such advertisements create illusory picture in the minds of customers due to which they are unable to recognise the actual quality of the advertised products.

6) **Required Support for Customers:** Customers require support against sellers and producers as they will take customers for granted and continue their unfair trade practices unless the customer become strong enough to know and protect their rights.

7) **Feedback for Business:** A feedback will be provided to the business with the help of consumerism. It enables the sellers to identify and understand the needs, wants and grievances of the customers. Consumerism will also ensure effective implementation of marketing and societal concepts.

8) **Responsive Environment:** Government can become more sensitive towards the interests of customers with the help of consumerism. It will motivate the government to take necessary actions and change institutional setups in order to protect the rights of consumers.



**Improvement in Supply:** Shopping and stock maintaining by which results in shortage of supply. With the help of support of consumerism the producers will be able to maintain the supply chain on the distribution front.

**No Unfair Trade Practices:** When consumers are strong enough to protect their rights, the producers will stop their consumers for granted which will compel producers to stop unfair trade practices.

**Better Relation with Consumers:** Producers can understand consumer needs and wants better as consumerism will provide feedback for the business which ultimately leads to cordial relations between producer and consumer.

**Better Support of Government:** Consumerism will make government more quick and responsive to consumer issues and thus will take statutory measures and legal redressal machinery will be provided to protect consumer rights.

**Educating Consumer:** A well organized consumerism helps in giving information about various goods and services like price, what the consumer can expect, etc., to consumer.

**Liaison with Government and Producers:** As government is the key factor in meeting most consumer needs in India, the consumer organisations try to maintain liaison with producers on one hand and Government authorities on the other hand, which ultimately benefits consumer as well.

**Product Rating:** Industry in the fear of today is increasing their on testing the safety of products. Consumer organisations need to know and



questions with regard to safety, comparative cost effectiveness, etc. In order to guide the consumer in his choice of products some of agencies carry-out tests and submit reports on them.

- 8) **Consumer Education:** The consumer is given information about various consumer goods and services. This relates to prices, what the consumer can expect, standard trade practices, etc.
- 9) **Product Rating:** In order to guide the consumer in his choice of products, some of the agencies carry out tests and submit reports on them.
- 10) **Liaison with Government and with Producers:** Another important role of consumer organisation is to maintain liaison with producers on the one hand and Government authorities on the other. As Government is the key factor in meeting most consumer needs in India, these factor in meeting most consumer needs in India, the organisations have to realise that they have a larger role in this direction, especially in India.