

CONSUMER BEHAVIOUR AND PROTECTION IN INDIA

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Abstract

At the heart of the business world is the customer. The quality and quantity of the product manufactured depends on the consumer's requirements. Regardless of the truth, consumers' rights are denied by misleading advertising, misrepresentation, poor quality, quantity and many more and are subject to abuse. To safeguard the rights and interests of the consumer, the Consumer Protection Act 1986 was created. In order to settle consumer disputes, the Act provides for the creation of consumer councils and other authorities. In the event of any injury caused to the customer as a result of unfair trade practices, the Act provides for effective remedies. Several regulations were drawn up to protect the interests of buyers, such as the Selling of Products Act 1930, the Rating and Promotion Act 1937, the Medicines and Cosmetics Act 1940, etc. These laws provide the customer with lengthy, expensive remedies. The compensation costs often do not correlate to the time, resources and compensation claimed. Here in this review paper we will understand the consumer behavior and protection in India.

Keywords: *Consumer's, Consumer Protection Act, Customer, Trade practices, Rights.*

I. INTRODUCTION

The notion of upholding consumer rights is not new; rather, it is a phenomenon that has traditionally been present in one form or another in culture and in different countries. The Old Testament discusses a form of security for customers, and so does the Hammurabi Code, but only from a commercial viewpoint. In the United States, where the foundations for the birth and growth of monopoly and oligopolistic capitalism began, an early form of movement of consumer protection was born [1].

The first consumer organizations were founded in 1947 in Denmark and in 1955 in Great Britain, where the Consumer Council was formed by the Government to allow consumers to express themselves on issues reserved for producers and traders. The Single European Act, however, brought true normative innovation; it amended the Treaty of Rome by reinforcing the position of the Economic and Social Committee, to which the powers to safeguard consumers were delegated. Over the years, several significant changes have been made to the laws described above, paving the way for a broader consumer agenda. Despite these additions, however, it still lacked a solid base that allowed real consumer protection to be obtained.

A. Development in United States of America: -

After the end of the Civil War in 1865, rapid industrialization in the United States led to unifications and incorporations and to the establishment of trusts and cartels, which progressed a great deal by the 1880s. The Sherman Act was passed in the year 1890 to check the accumulation of corporate power and its effect on economic growth. Any contract, combination in the form of trust or otherwise, or conspiracy to limit trade or trade, was deemed illegal by the Act. Each party to any such contract, combination or conspiracy has been made punishable by imprisonment or fines. While at the initial stages of its implementation, the Act appears to have an effect, it was later discovered that its scope did not apply to such monopolistic and discriminatory practices. In order to address this shortcoming, two statutes, the Federal Trade Commission Act and the Clayton Act, were passed in 1914.

B. Development in Germany: -

In 1957, a stringent anti-monopoly law was introduced in Germany, which was called the Act against Competition Restrictions. It has seen a variety of amendments since then. It does not make monopoly illegal, but supports the principle that it must not be used to inflict damage to others by such supremacy in a market place. In other words, the law states that the supremacy which a monopoly enjoys in a market must not be exploited. Coercion, boycott, and prejudice, whether expelled through unilateral or concerted business activity, are also prohibited by the Act.

C. Development Of Consumer Protection Laws In India: -

Pre-Independence: Different English laws came to India with the advent of British rule, aimed at protecting the interests of the general public. These laws did not exclusively speak about customers per se, but implicitly protected their interests in implementation. Despite these enactments, the decisions of the Privy Council continued to regulate the rules of common law. In other words, it can be said that the ideals of common law have overshadowed the laws imposed by the British Empire in India. Interestingly enough, while these enactments were present in society, there was no significant change in the Indian people's economic and social status as customers, as they continued to suffer due to foreigners' unfair trade practices and various malpractices on the market.

The Indian Penal Code, passed in 1860, includes provisions under Chapter XIII dealing with a "offense relating to weights and measures." Sections 272 and 273 prescribe penalties for the crime of food or drink adulteration. In controlling the import, manufacture, distribution and selling of adulterated or deceptive drugs and cosmetics, the Drugs and Cosmetics Act, 1940, played a crucial role. The Indian Contract Act, passed in 1872, regulates the contractual aspects of two parties' transactions. The meaning of this rule lies in the word "meeting of minds." The legislators understood that one such phenomenon is "meeting of minds," which you do not find in all of the scenarios. When an individual buys a certain product from a dealer or seller, the entire range of the agreement between them lies in the terms agreed upon. Contract rules control the establishment of the rights and responsibilities of all parties to a transaction [2]. The contractual arrangement between two individuals is formed by a proposal made by one individual to the other. Any agreement assumes the form of a contract when it is concluded by the mutual consent of all parties. In other terms, all parties must commit "to the same thing" and "in the same manner" in order for an agreement to count as a contract.

Post-Independence: After independence, India became more aware of the fact that customer interests are a priority in democracy. If its customers are unsatisfied or if they believe that their usefulness of the products and services they receive is not worth considering, or if they experience injury due to malpractices prevalent in society, no democracy can avoid.

The Food Adulteration Prevention Act was enacted in 1954 with the intention of curbing the evils of adulteration of various harmful and toxic elements in commodities. While the Indian Penal Code has already classified and punished the acts of 'Adulteration of Drugs', 'Selling of Adulterated Drugs' and 'Sale of Drugs as Separate Drugs or Prescription' as offenses, the Prevention of Food Adulteration Act has further strengthened the restrictions [3]. Furthermore, the following legislation which regulates consumer laws in India has been enacted and is currently applicable:

1. The Drugs (Control) Act, 1950;
2. The Prevention of Food Adulteration Act, 1954.
3. The Essential Commodities Act, 1955.
4. The Monopolies and Restrictive Trade Practices Act, 1969.
5. The Bureau of Indian Standard Act, 1986.
6. The Consumer Protection Act, 1986.

D. Consumer Protection and Constitution: -

The Constitution of India, which came into force on 26 January 1950, is the primary document which, by virtue of its articles, schedules and sections, governs the country's legislative climate. Through the Constitution, the People of India decided solemnly to safeguard their fellow citizens. Justice-Economic, political, social, freedom of thinking, speech, faith and worship, equality of

position and opportunity and fostering all fraternity among them, thereby ensuring the individual's dignity and the nation's unity and integrity. According to Article 21, which guarantees the right to life and personal liberty, denial by the state of essential service could constitute a breach of that right. Furthermore, in compliance with Article 38, the consumer has the right to enjoy constitutional protection [4].

Furthermore, Articles 42 and 43 expand the State's duties in this regard, as the purpose of the provisions is that the State is responsible for maintaining fair and humane working conditions for all and must seek to develop economic legislation to ensure that a reasonable standard of life is afforded to employees who make up the majority of customers. Article 46 deals with users of state education services and forbids all forms of abuse and inequality.

E. Consumer Protection Act, 1986: -

The Consumer Protection Act, which is currently the key legislation concerning consumer protection laws in India, was enacted in 1986 with the goal of providing consumers with more protection against the evil practices of the industry. It deals effectively with the problems faced by an individual customer and does not have express provisions on "maintaining or increasing the supply of any essential commodity or ensuring its fair distribution, and accessibility at fair prices or dealing with people who engage in the hunting and black-marketing of, and profiting from, essential commodities and the evil of vicious inflatable goods [5].

The Act is seen as an effort to eradicate consumer helplessness against the strong and influential players, also referred to as the "racket network," such as merchants and businessmen. The Hon'ble Supreme Court of India expressed this view earlier in the matter of Lucknow Development Authority vs. M.K. Gupta [6]. The Act of 1986 entered into force in the whole of India with the exception of the State of Jammu and Kashmir with effect from 1 July 1987 and is known as the Magna Carta in the field of consumer protection for the control of unfair trade practices and 'defects in products' and 'deficiencies in services'. The Consumer Protection Act provides a legislative structure for the protection of rights and interests and for the citizens of the Indian Republic to be granted socio-economic justice. In the matter of S.K., the Court, Abdul Sarkar vs. State of Orissa [7] ruled that the object of the act was to provide the customer with a cheap and rapid remedy.

II. CONCLUSION

Since we are all consumers, the effective and efficient Consumer Protection Policy is of special importance to all of us. A purchaser of any other products or services is even a producer or supplier of a commodity. If the need for co-existence is understood by both manufacturers/suppliers and customers, adulterated products, counterfeit goods and other service deficiencies will become a thing of the past. It is necessary for active involvement and participation from all areas, i.e. central

and state governments, educational institutions, NGOs, print and electronic media, and the adoption and observance by service providers of a voluntary code of conduct by trade and industry and the Citizens' Charter, to ensure that customers are due. The need for the hour is for complete dedication to the cause of the consumer and social responsiveness to the needs of the consumer. However, this should continue in a harmonious way so that our world becomes a safer place for us all to live in.

III. REFERENCES

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