

Quadrant II - Notes

Paper Code: COC 103

Unit: Unit II – Consumerism and Need for Consumer Protection

Module No:13

Consumerism – Meaning

A consumer is regarded as a king in the market and the business try to provide maximum satisfaction to the consumers. Despite of this, the sellers are indulged in unfair trade practices. The unfair trade practices could be of different types including selling of adulterated or poor-quality products, false or misleading advertisement of the product, sale of duplicate goods, charging more than the Maximum Retail Price or using of false weights or measures and so on.

Consumerism is a movement that seeks to protect consumers from unfair practices of the sellers. Consumerism is the process of seeking redressal against sellers who cheat the consumers. It is a social effort whereby all the consumers seek remedy against the sellers indulging into unfair trade practices.

Definition of Consumerism

According to Philip Kotler

“A social movement seeking to augment the rights and powers of buyers in relation to sellers.”

According to Cravers and Hills

“Consumerism is a social force within the environment, designed to aid and protect the consumers by exerting legal, moral and economic pressure on business”.

Need For Consumer Protection

1. To Assist Uninformed Consumers

Consumers are not aware about their rights and do not give much importance to their own rights. Due to the lack of awareness, a consumers tend to get exploited by the sellers. And

the sellers take undue advantage due to lack of awareness amongst the consumers. Legal protection is needed to create an environment of fear and precaution in the mind of seller against involvement of unfair practices.

2. Ensure Physical Safety of Consumers

Consumer protection is required to make sure that no physical harm is done to the consumers by supplying adulterated food products which can cause serious injury to the health of the consumer. Consumer needs to be protected from the products that are unsafe or dangerous to his or her health and welfare.

3. Guard Consumers against Deceptive Trade practices

Consumers are being exploited by the sellers by indulging into various unfair trade practices. False guarantees on products, misleading advertisements, overpricing, inferior goods are some of the deceptive practices of sellers against consumers which consumers needs protection. consumer protection provides safeguard to consume more from search exploitation. In India, there are very few consumer organisations which are working to protect the interests of consumers. consumer protection encourages establishment of more consumer organisation consumer protection provides power and rights to this organization as is organization can file case on behalf of customers.

4. Provide a Redressal Mechanism to consumers

Formal legal environment is needed in order to provide a good redressal mechanism to consumers. Consumers are not an organized group who can fight for their own rights or against injustice.

5. Social Responsibility of business

A business has a social obligation towards the consumer it is a responsibility of the business to provide good quality products at a reasonable price. Consumer protection guides the businessman to provide social responsibility.

6. Long Term Interests of Consumers

A business will be able to survive in the long run only when are able to satisfy its customers. A satisfied customer will help the business to survive in the market for a longer period of time. Having dissatisfied customers can affect survival and profitability of the business. So it is in the interest of the business to keep its customers satisfied.

7. Moral / Ethical Justification

Ethics play a very important role in business. The ethics adds glory to the business. Business without ethical values is not more than a criminal activity. No society can tolerate and allow existence of unethical business.