

CHAPTER II
REVIEW OF LITERATURE

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“Consumerism” is an outcome of sufferings and exploitation of consumers who are the victims of the suppliers intention of earning maximum illegitimate profit at the cost of his or her health, safety and well being (Joshi, 1989). The aim and objective of consumerism is to create awareness in consumers about their rights. Kotler (1976) defines consumerism as the “social movement seeking to augment the rights and powers of buyers in relation to sellers”.

It is a collective consciousness on the part of consumer, business, government, and society to enhance consumer satisfaction along with social welfare, which will in turn benefit all of them. The consumer’s satisfaction depends on the extent to which his needs and aspirations are satisfied.

1.0 Genesis and Development of Consumerism

The history of consumerism can be traced back to the time when man entered into his first transaction. He aspired for equal, if not more, utility for the sacrifice he made. Industrial revolution offered more products to the consumer. The genesis and development of consumerism are briefly outlined in the following paragraphs.

1.1 Consumerism in other countries

The United States of America is one of the pioneer countries in consumer movement. It is noted that some consumer groups existed in the United States as early as the middle of the 19th century. In the United States, three distinct consumer movements that of early 1900’s, mid 1930’s and mid 1960’s shook business scene (Kotler, 1972).

The early seventies in the USA was noted for the beginning of consumer movement aimed at establishing fairness in dealings at the market place. For example, consumer advocates in the retail food industry led the way with more specific pricing of products and offered education programmes aimed at super-market customers. They proved that consumerism was indeed needed for the bottom-line consumers. Further, as the consumer movement headed into the middle of the seventies, a growing diffusion became apparent as various consumer groups began to branch off into specialist groups. Although they began to tackle different problems, they strove towards the common goal of representing customer interest (Peterson, 1979).

Europe witnessed the growth of consumerism during the latter part of the first half of 20th century. As a result of the awakening of consumer movement, consumer organisations sprouted in Norway and Ireland in 1939 and 1942 respectively. A formal consumer union came into existence in Britain in 1935. It built a laboratory for regular testing of products and published consumer reports and enlightened the public against misleading claims (Basrur, 1974).

The realities of the seventies with regard to the consumers, which were in existence, in Britain that intensified the consumer movement were, viz., scepticism, knowledge and professionalism (Peterson, 1978). Consumer protection in Britain is an established concern, addressing itself to the matter in a very different way. Consumer advice is a major focus. Much of this advice is preventive counselling rather than redressal of actual grievances (Menski, 1987).

The British Parliament passed the Consumer Protection Act 1987 after an extensive debate on it. It is a wide-ranging piece of legislation, creating both

civil and criminal liability and it will be of major importance throughout industry and commerce (Kumar, 1989).

Right from 1947 to 1957, a silent revolution among consumers in Denmark, the former GFR, Switzerland, Japan, Kenya, France, Hungary, Italy, Canada and Belgium took place. Press campaign in favour of the consumer in these countries played a significant role in the creation of the concept of consumerism (Basrur, 1974).

Among the Asian countries, Japan has demonstrated how consumer revolution can take place along with rapid economic development and the emergence of a mass consumption society. Although Japanese Housewives Association was founded in 1948 in Tokyo, it took twenty years in 1968 for the basic law for the protection of consumer to be established as an organ directly under the Prime Minister after a series of administrative and legislative measures. In addition to organisation like Japanese SHUFUREHD, the other main bodies related to consumer movement were consumer union, grassroots consumer groups and the state-sponsored consumer groups. Even as they functioned autonomously, they came together from time to time for joint action (Sharma, 1995).

A similar movement began in Australia when consumer protection received significant attention both at federal and state levels. The Australian Consumer Association (1959), the largest in Australia publishes the monthly magazine 'Choice'. CLA-N (Consumer Law Association – National) is an emerging network of consumer lawyers in Australia. However, it is important to note that most of the consumer protection agencies were established in Australia in the seventies

The wave of consumer protection is really new to Latin America. It was only after 1987 that unprecedented efforts were made in the Latin America and the Caribbean. The Government of Brazil has provided for consumer rights in its constitution.

On 9th April 1985, the General Assembly of the United Nations unanimously adopted a set of general guidelines for consumer protection. The significance of these guidelines for Consumer Protection is that they represent international agreement on the minimum principles, which consumer protection policies should contain (Peterson, 1978). The guidelines cover seven areas (a) physical safety, (b) promotion and protection of consumer economic interests, (c) standards for the safety and quality of consumer goods and services, (d) distribution facilities for essential consumer goods and services, (e) measures enabling consumers to obtain redress, (f) education and information programmes, and (g) measures relating to specific areas (food, water and pharmaceuticals).

1.2 International organisations of consumer union (IOCU)

Business is becoming global in character today. Businessmen have a number of means to entice and entrap the consumers, even as they themselves sit in the remotest corner of the world. International co-operation with regard to consumer protection is also needed because the development of a consumer protection policy no longer requires that measures be taken only at the national level. Since the world economy has become interdependent, national consumer policies have now acquired international dimensions. This is largely due to the international character of business. The problems encountered by consumers are often not exclusive to any one country. Consequently, measures adopted to protect the consumers in one country may have implications for consumer in

other countries as a result. It is in this context that the role of IOCU cannot be ignored.

International Organisations of Consumer Union was formed in 1961 in Hague by consumer groups of United States, Britain, Australia, Belgium and Netherlands with the objective of promoting co-operation in consumer information, education and the comparative testing of goods and services worldwide.

Two other main inter-governmental institutions involved in consumer affairs in the region are the Organisation for Economic Co-operation and Development (OECD) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

1.3 Consumerism in India

Indian scriptures have exclusively advocated the observance of ethics as an integral part of business practices. Businessmen feared social and moral punishment and the consumers, therefore, enjoyed a central position. The business class was categorised as the 'Vaishyas'. Vaishyas were considered to be lower than the Brahmins and the Kshatriyas in the 'Varna' or class system in the ancient India. Unlike in developed countries, business is still considered to be an inferior activity in India. Due to the dominance of higher classes, activities of businessmen were constrained and rectified from time to time. Unscrupulous businessmen were severely punished in ancient times.

1.3.1 *Pre Independence*

Organized groups of consumers have contributed a lot to the cause of consumer welfare. The history of consumer organisations in the country is not very old. Mahila Upbhokta Sangathan, started functioning in Lucknow in

1931. This is the largest consumer organisation with 3741 and 481 branches spread over rural and urban areas respectively. Consumer organisations emerged during World War II, but most of them were anaemic and lacked vitality. No sooner did the war end than these organisations had an abortive end (Rangandhi, 1979).

1.3.2 *Post Independence*

The formal development of consumer organisations can be traced back to 1949 when a consumer centre was set up in Madras. The Madras Provincial Consumer Association was found working to enhance the consumer interest (Mehta and Sharma 1989).

A convention was organised by ISI (Indian Standards Institution) in 1958. It was in this convention that the establishment of consumer organisations was proposed. A number of consumer organisations were formed but some of them became defunct by the end of 1959 (Malhotra, 1964).

An Association of Women Against Rising Expenses (AWARE) was started in mid-sixties in Bombay by some imaginative and enterprising women to keep the prices down. Another consumer organisation, popularly known as PRRM (Price Rice Resistance Movement) was started in Delhi in 1962. They started open-air shops in different localities for the sale of vegetables, eggs and the like (Malhotra, 1963).

The Consumer Guidance Society of India was set up in 1966. It pursued the motto of 'quality at a fair price'. The main slogan of the organisation was 'Grahak Seva, Suraksha aur Santosh', i.e., the services, safety and satisfaction of consumers. It performs a wide range of activities through many working

committees such as exhibition committee, fund-raising committee, publicity committee, publication committee and so on (Sharma and Verma, 1994).

The Planning Commission of India sponsored the Consumer Council of India. This was set up in October 1967 with its headquarters at New Delhi. Eleven years thereafter came the Consumer Education and Research Centre (CERC) that was started in 1978.

The history of consumer movement in India has been well chronicled. Chaudhary (1987) makes the following observations about the emergence of consumer movement in India in the mid-sixties

- i) Consumers were exposed to visible and invisible exploitation.
- ii) Companies opposed the consumer proposals and lobbied against new legislations in India.
- iii) There were a number of reasons for the development of consumer movement in India, like the failure of business in meeting the increasing needs of modern society, political appeal for consumer protection, the deterioration of business ethics, lack of consumer education and information and lack of governmental enforcement of consumer laws.
- iv) Prevalence of conditions like viz. structural conduciveness, structural strains, growth of generalized belief and precipitating factors and mobilizations for action which were responsible for the consumer movement.

Indian Federation of Consumer Organisation (IFCO) was set up in 1979. This is mainly concerned with the protection of consumer interests. It collects data on issues related to price rise, adulteration of consumer goods, and lapses in public services like the telephones, electricity and transport. It brings to the

notice of the authorities actual cases of hardship and inconvenience faced by public so that they could take remedial steps to put the situation back to normal IFCO utilizes college and university students as volunteers and field workers for creating better awareness of the consumer problems among the general public

In 1983 some teachers and students of Delhi University formed VOICE (Voluntary Organisation in the Interest of Consumer Education). The first battle of VOICE was against a five per cent discretionary quota of allotment allowed to the director of a public sector unit. In the following year, i.e., 1984 Consumer Unity and Trust Society (CUTS) was established in Jaipur.

1.4 Role of the Government in consumer protection

Since time memorial, the onus of protecting consumer's interest has been primarily the responsibility of the government of the day. During the Maurya period (i.e. 300 B. C.), adulteration was considered *adharma* and was viewed as disgraceful and distribution of adulterated food and drugs was prohibited. At that time, the needs were simple and the products were not so complex. But not so anymore. Ever since the shift from an agrarian economy to an industrialised economy began, mass production has become a norm and technically complex products have started finding their way into the market. Moreover, the marketers have begun adopting modern methods of distribution as well as aggressive selling techniques. More emphasis is being laid on salesmanship rather than on the consumer. The modern techniques tend to dominate the Indian Consumer Market, where most consumers are illiterate and have low-income level. Consumer expects protection in such an environment. Before the independence, the Government never made much provision for consumer welfare. Its activities were mostly pro-producer (i.e. leaning more towards the producer). Even after independence, the government safeguarded the interests

of small and large-scale businesses through different regulations. It was consumer pressure, which compelled the government to enact certain legislations and assume a different role for protecting the consumers. It assumed the role of a regulator, an umpire and a businessman (Sharma and Verma, 1994).

1.4.1 *Government as Regulator*

The law makes it easy the administration of justice. Ensuring the satisfaction of the consumer is one among the many functions of the state. The government, over the years, has armed itself with many acts and issued statutory orders and notifications for ensuring fair prices, equitable supplies and quality control of different products and services. Today there are more than 27 Acts enacted by the Government of India, which govern trading operations. The fundamental law of the country is related directly or indirectly to the philosophy and mechanism for the protection of interest, health and happiness of the consumer by legal control of immoral and unbridled anti-social practices of the greedy producers and sellers lacking in conscience. The constitution of India includes different provisions, namely, Equality (Article 14), Consumer Policy (Article 39, 39(6), 39(c), 39(f), 43 and 47) and Freedom of Trade (Article 19(1), 19(6), Article 301 and 304) and the right to move the to High Court in case of violation of consumer rights (Article 226 and 32).

Besides, the protection granted under Indian constitution, there are various acts, which protect the consumers from various abuses prevailing in the market. A brief discussion on each of these Acts is as under.

1. *INDIAN PENAL CODE, 1860*

The Indian Penal Code 1860 is the most relevant of the Acts on the statute book for the prevention of food adulteration. The Indian Penal Code

sections 272 to 273 and sections 478 to 489 seek to restrict malnutrition caused by circulation of harmful food articles among the people. Sections 272 to 273 prohibit adulteration for the purpose of sale. Section 478 to 489 deals with the fraudulent and misleading description of article of trade and fake packages. Section 486 covers offences pertaining to counterfeit trademark. The offence of public nuisance has been defined under section 268 of the IPC, in general, to mean an act or illegal omission, which may cause any common injury, danger or annoyance to people in general. Further, sections 269 to 278 deals with certain specific categories of public nuisances.

2. *CRIMINAL PROCEDURE CODE, 1898*

Section 133 of this Act gives special powers to the executive magistrate in case of violation of consumer rights.

3. *CONTRACT ACT, 1872*

This Act contains the law relating to buyers and sellers, their rights and responsibilities and conditions on which the contract is to be executed. This Act has specified basic principles by which an agreement becomes a contract. The Contract Act emphasises the principle of Caveat Emptor where it is the purchaser's responsibility alone to check whether or not what he is buying is saleable and workable for the intended purpose.

4. *INDIAN STANDARD INSTITUTION (CERTIFICATION MARK) ACT, 1952 (CHANGED TO BUREAU OF INDIAN STANDARDS ACT 1986)*

This Act controls the standards of various goods and simplification of some to encourage standardization. This law guarantees the replacement of substandard goods, which do not conform to the prescribed standard when carrying the ISI Mark.

5. *PREVENTION OF FOOD ADULTERATION ACT, 1954*

It prohibits manufacturing and sale of adulterated food. Adulterated food includes articles of cheaper substance injurious to health: like

contaminated, filthy, rotten, decomposed food items and includes drinks unfit for human consumption. The use of food colours derived from coal tar has been banned under this Act. PFA also places responsibility on the consumer for checking adulteration by acting as food inspector, provided certain conditions are satisfied.

6. *COMPANIES ACT, 1956*

Company legislation in India offers protection against monopoly of large corporation by developing the systems of checks and controls.

7. *STANDARDS OF WEIGHT AND MEASURES ACT, 1956 AND 1976*

This law determines the system of measurement also called metrology of various weights and measures. The Act prohibits the use of non-standard measures. Packaged Commodities Rules framed under the Act provides for the printing of necessary details on the packaged commodity with effect from May 1, 1984. All the packed commodities for sale have to be packed according to metric system of weight and measurement.

8. *MONOPOLISTIC AND RESTRICTIVE TRADE PRACTICES ACT, 1969 (AMENDED IN 1984)*

This Act has been enacted with the objective of curbing monopolistic and restrictive trade practices. Before the amendment made in 1984, the MRTP Act contained no provision for the protection of consumer from unfair trade practices, such as deceptive and misleading advertising, hoarding of goods and supply of unsafe and hazardous products.

The Act is directed against the restrictive and monopolies trade practices and the common interest is protected by promoting competition and curbing anti-competitive activities of manufacturers and dealers. The major provisions relating to unfair trade practices and regulations in India are contained in section 36A, 36B, 36C, 36D, and 36E which have been

inserted in the MRTP Act by the amendment made in 1984 which had become effective from August 1, 1984.

Other provisions related to the regulations of unfair trade practices are contained in certain other Sections of the Act, which includes 12A, 12B, 14 and 61. Section 2(0) holds resale price maintenance (RPM) as one of the restrictive trade practices. This defines RPM under clause (11) of section 2 (0) which tends to bring about manipulation of prices. The three sections, viz., Section 39, 40 and 41 deals with resale price maintenance under the MRTP Act.

9. *CONSUMER PROTECTION ACT (COPRA), 1986*

The Consumer Protection Act, 1986 is an important piece of legislation in safeguarding the interest of consumers. The main significant features of this act is:

- (i) The Act is applicable to enterprises falling in the categories of public sector, financial institutions and cooperative societies.
- (ii) The provisions are in addition to and not in derogation of provisions of other laws.
- (iii) The Act is a comprehensive legislation with its main thrust on giving speedy redressal and compensation to the consumers.

Benefits of copra

- (i) It is not necessary to consult a pleader or legal expert.
- (ii) It gives speedy and cheap relief.
- (iii) Forums/Commissions have to follow the fundamental Principles of Natural Justice.
- (iv) It avoids procedural delays.
- (v) It extends adequate compensation to the aggrieved party.

Machinery constituted

Certain authorities have been established under the Act. They are (1) Consumer Protection Councils and (2) Consumer Disputes Redressal Agencies. The government constituted Consumer Protection Councils in order to promote the rights of consumers such as right to safety, information, choice, to be heard, seek redressal and consumer education.

Consumer disputes redressal agencies

Under the Act, the state government established a Consumer Redressal Forum also known as the District Forum.

District forum

It has jurisdiction to entertain complaints where value of goods or services and compensation claims, if any, is less than Rupees Five lakhs.

State commission

It has jurisdiction to entertain complaints where value of goods and services and compensation, if any, exceeds Rupees Five lakhs, but does not exceed Rupees Twenty lakhs. It also has jurisdiction in entertaining appeals against the orders of any District Forum within the state.

National commission

The national commission has jurisdiction to entertain complaints where value of goods or services and compensation, if any, exceeds Rupees Twenty lakhs. It also has jurisdiction for appeals against the orders of any state commission.

Enforcement

If the defendant fails to comply with the orders of any of the above-mentioned agencies, then he shall be punishable with imprisonment for a term or/and fine which shall not be less than Rupees Two thousand but may be extended to Rupees Ten thousand.

In addition to the Acts mentioned earlier, the following ones are also important from the point of consumer interest: The Sale of Goods Act, 1930; Agricultural Products (grading and marketing) Act, 1937; Drugs and Cosmetic Act, 1940; Capital Issues Control Act, 1947; Emblems and Names (prevention of improper use) Act, 1950; Industries (development and regulation) Act, 1951; Forward Market (regulation) Act, 1952; Cinematograph Act, 1952; Drugs and Magic Remedies (objectionable advertisement) Act, 1954; Essential Commodities Act, 1955; The Vegetable Oil Products (Quality Control) Order, 1955; Price Competition Act, 1955; Security Contract (Regulation) Act, 1956; Young Persons (Harmful Publications) Act, 1956; Trade and Merchandise Marks Act, 1958; The Defence of India Act, 1962; Specific Relief Act, 1963; Hire Purchase Act, 1972; The Household Electrical Appliances (quality control order, 1976, amended in 1981); The Packaged Commodities Regulation Order, 1975; The Cigarette (Regulation of Production Supply and Distribution) Act, 1975; Sales Promotion Employees (Condition of Service) Act, 1976; Prevention of Black Marketing and Maintenance of Supplies of Essential Commodity Act, 1980; The Essential Commodities (Special Provision) Act, 1981; The Environment (Protection) Act 1986; Textile (consumer protection) Regulation, 1988; and various other orders (Sharma and Verma, 1994). From the above, it is clear that there is a plethora of laws and regulations to protect the consumer's interest. Yet, the consumer is a loser.

Kohli (1989) remarks that any law passed with the best intention becomes ineffective due to the laxities of administration and the attitude of agencies, which are subject to the enactment, and coupled with this is the widely prevalent corruption among the agencies administering the law. According to Singh (1987), parliament generally enacts legislation in skeleton form and then it delegates rule-making and enforcement powers to the Executive, retaining its supervisory powers. Rao (1988) comments that there is a gap between intent of the law and its implementation.

2.0 Researches Related to Consumer Durables and Services

It is observed by Dugar (1976) that the MRTP Commission had inquired into 194 restrictive trade practices between 1970 and 1976. Out of these, trade associations/consumer associations lodged only 2 per cent complaints.

A study of Gujarat Electricity Board was undertaken by CERC as reported in Power that Plunders by Shah (1978) in order to explore the causes of increasing the tariff. The study concluded that Board could raise resources and cut down the costs to the tune of 19.25 crores from 49.94 crores per annum by way of better performance, innovative inputs in the field of manpower management, transmission losses and plant utilization. The report also highlighted the accounting irregularities running into 421.58 crores as observed by the Accountant General of Gujarat.

A couple of surveys have been conducted for studying the efficiency of public sector organisations. The CERC submitted a memorandum to the Government of India on the working of Gujarat State Road Transport Corporation (GSRTC). It mentioned that if GSRTC managed its operations efficiently and economically and on business principles, then it could raise additional revenue and reduce costs ranging from Rs. 6.39 crores to Rs. 14.92 crores per year. The

report further reveals that rural and urban traffic contributes 25 per cent and 1 per cent respectively to the state revenue, whereas State Government spends only 22.7 per cent on the road development in rural areas out of the proceeds collected from the rural traffic (Trivedi et al, 1979).

Consumer organisations also seek complaints and work towards their redressal. Approximately half of the complaints handled by Consumers Guidance Society of India (CGSI) by 1979 were related to household appliances.

CERC conducted a survey into the working of Gujarat Electricity Board (GEB) in the rural sector. It concluded that rural areas frequently experienced power cuts, which not only disturbed their livelihood, but also harmed their costly equipments. It highlighted how this increased the cost of getting these equipments services and/or repaired (Mathen, 1981).

A study by CERC revealed that 50 per cent of the expenses incurred by the Ahmedabad Municipal Corporation were on discretionary functions like parks while basic facilities like drains and sewerage system remained neglected (Advani, 1981).

CERC conducted another study on procedural delays caused by the Government. It stated that the Government was mainly responsible for the concurrent delays in various phases of the proceedings and enumerated the various occasions on which delays had been caused. It also highlighted the implications arising out of the judicial procedures within the country, changing the closed secretive and at times suspicion, raising style of Government functioning and the redesigning of the outdated information and control system within the government machinery with a view to speeding up development

processes and reining of the burgeoning costs of government machinery (Bhimjiani, 1981)

The focus of some studies has been on the consumer awareness. According to a survey conducted by CERC on consumerism, it was observed that consumers appreciated the CERC strategy of seeking legal remedy for various issues. It was further concluded that consumerism was gaining ground and consumers were becoming more conscious of the need for accountability of monopolistic organisations. Even though a number of laws are in vogue, the producers do not follow various instructions and take precautions necessary for the safety of the consuming public. Sometimes there is also a serious lack in implementation and setting up of adequate norms on the part of government (Malathesh, 1981).

A research study on “Common edible oil, adulteration, short weight measures and non availability through fair price shops (FPS)” was undertaken by Kulkarni and Divetia (1983). It was found that the level of adulteration of oil with the groundnut oil remained undetected to the extent of 40 per cent due to inadequate tests used in the Government laboratories. The consumers were the losers suturing a loss of nearly Rs 2.50 per kilogram. It also highlighted the irresponsible attitude of government towards testing besides, making damning comments on the inadequate facilities in this regard and malpractices followed by the dealers of FPS.

A survey conducted by the National Consumer Council of the United Kingdom revealed that for every complaint received, six serious and 20 to 25 less serious complaints were not communicated. A majority of consumers do not complain because either the consumer consider the complaint not to be worth the time

and effort required or does not believe that the company will do anything about it (Consumer Current, 1983).

In a study on government efforts relating to the problems of drinking water in the tribal areas, the CERC pointed out that water supply was not in fact a major problem. The main problems of these areas were in the fields of employment, health and education. This study also highlighted the basic limitation relating to the norms for setting up standards for designing water supply scheme, settlement pattern, technology and for rectifying the improper way of feedback of the operations (Riswadker, 1984).

With the increasing awareness among the consumers and consumer organisations about malpractices adopted by the traders, there are quite a few organisations taking up the samples and publishing the results of their tests.

Sarkar (1989) quoted the findings of Mahila Dakshata Samiti (MDS), a leading women's organisation in Delhi, which observed that nearly 25 per cent samples of Vanaspati in Delhi were adulterated and the main source of adulteration was animal fats (20 – 30 per cent).

Sarkar (1989) further cites how MDS of Delhi carried out testing of sample of foodstuff and found that 50 per cent samples of garam masala were either adulterated or contained grit and harmful colouring agents. Similarly, it was observed how "Amchur" was often found infested with insects and stood contaminated.

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Reiterating the findings of a testing Committee, Shenoy (1990) states that during the course of a year several samples of tea powder (loose), oil, chilly powder and turmeric powder were drawn from the various areas and tested. It was found that these were adulterated to the extent of 15 per cent, 0 per cent, 46 per cent, and 40 per cent in samples of tea powder (loose), oil, chilly powder and turmeric powder respectively.

3.0 Researches Related to Consumer Awareness and Attitude

The greater the amount of information the consumers have with regard to the products / services (Wall, Dickey and Talarzyk 1977) and the manner in which to lodge complaints (Day 1978, Day and London 1976), the greater their propensity to complaint. A number of researches related to consumer awareness and attitude were carried out both in India and abroad. These are presented under relevant titles here

3.1 Studies conducted abroad

An exploratory study was carried out by Barksdale and Darden, (1972) which used a national sample of consumers to determine consumer attitude towards marketing and consumerism. The data were collected by mailing a questionnaire to 785 households. The questionnaire consisted of 40 "Likert – type" statements chosen after a pre-test of 67 items. Sex, age, family size,

number of children, occupation, home ownership, political predisposition, geographic location and city size were the other variables considered. The results reveal that most of the consumers:

1. recognized and valued aspects like price paid, need based products, variety offered and convenient availability of products.
2. harboured apprehension about business policies and discontent about marketing activities, especially lack of confidence in advertising.
3. conceded that some of the imperfections in the marketing operations result from the ineptness, carelessness and apathy of consumers.
4. voiced support for extra Government regulations with both liberals and conservatives sharing this attitude.
5. felt consumer problems to be important and deserving more attention reflecting their growing impatience about certain business practices
6. were surprisingly in agreement with most of the statements. Variables like sex, age, family size, and occupation and home ownership revealed a few significant differences.
7. seemed to have responded on the basis of age and political predisposition, which showed the greatest differences with the younger ones being more critical of marketing and at the same time also more impressed with the consumer's movement
8. indicated considerable uncertainty on the evaluation of the relative efficiency of the American marketing system, the honesty of games and contents, manufacturers withholding product improvements to protect their own interests, consumer willingness to pay higher prices for non-polluting products and the effectiveness of Ralph Nader's work

Kinnear et al (1974) reported the findings of their study on the assessment of the ecological concerned consumers to argue that attitude and behaviour must be considered jointly to provide the most accurate assessment of consumer concern for ecology. They support their argument by pointing out that some consumers may engage in ecologically approved practices without being environmentally concerned, while others engage in these practices because of real concern and commitment. The same principle applies to the analysis of consumer dissatisfaction. Neither verbal experiences nor complaint action by themselves are sufficient as measures of consumer dissatisfaction. It is not only important to know who has negative attitude towards business practices, but also whether they have taken action as a result of this displeasure. Consumers who are dissatisfied may not complain and those consumers who do complain probably are not the only consumers who are unhappy. These cases are just the “tip of an iceberg”.

Nagy (1976) pointed out in his study that a majority of the respondents surveyed supported the idea of consumer education courses for adults, high school students and availability of a local consumer specialist whom residents could contact for information. He supported the government’s role as a provider of consumer information. He also felt that business should provide better quality products which require less service, even if they cost more, replace the defective items in warranty products, provide more legislation at the union level so that the defaulters could not escape from prosecution.

Ruth (1980) stated that there was a significant positive relation between consumer’s willingness to accept responsibility for self-protection and their attitude towards regulations and education. There was also positive

relationship between consumer's knowledge about regulations and their attitude towards self-protection.

A study of the U.S. Office of Consumer Affairs showed that for small purchases, 70 per cent of complainants were dissatisfied, but would repurchase (Consumer Current, 1983)

Garman et al (1992) measured the consumer knowledge and legal protection in a telephone survey of 1,305 adults in the U.S. The samples were categorised on the basis of five age groups 25 – 49, 50 – 64, 65 – 74, 75 – 84, and 85 and older. Respondents were asked questions regarding consumer rights and protection. The result revealed that consumers belonging to the youngest age group 25 – 49 received the highest score. It was noticed that as the age of the respondents increased, their knowledge score decreased

Darley and Johnson (1993) compared the attitude of consumers towards consumerism in four developing countries, i.e., Kenya, India, Nigeria and Singapore. The questionnaire contained a series of Likert - type statements. The total sample involved 305 undergraduate students. 57 in Singapore, 74 in Kenya, 86 in Nigeria and 88 in India. The results indicated that at least some degree of discontent appeared in the sample regardless of state of the marketing system. Singaporeans were found to be the most skeptical of the four countries regarding the greed of business, lack of concern for customers, and desire for more government control and intervention in the market place to protect the consumer. India, on the other hand, appeared the least skeptical of the four countries with regard to "Government regulation" and "help from firm".

Zund and Mund (1994) studied consumer awareness towards fraudulent practices used by the sellers of household appliances. Samples of 110 consumers were selected from different localities. The independent variables tested were age, gender, literacy level and occupational status. Findings of this survey revealed that 30 to 49 per cent of consumer experienced various fraudulent practices at manufacturer's and retail seller's level. A large proportion of consumers (89.04 per cent) were highly conscious of the fraudulent practices in market. Low and medium levels of awareness were noted among female and school-educated consumers.

A study carried out by Brewer, Edlefsen, and Craig (1995) on the consumer knowledge and behaviour regarding safety of re-using food packaging material found that middle aged, urban and sub-urban women engaged in the highest number of correct packaging re-used practices. Nearly 50 per cent of the consumer felt that egg cartons, plastic syrup bottles, bags and microwave meal plates were designed to be re-used. Over 50 per cent were found to be aware that plastic packaging contains additives that can end up in food. Lastly the correlation indicated that behaviour was not necessarily consistent with knowledge.

3.2 Studies in India

Singh et al (1981) made a comprehensive and critical study on the working of MRTP Commission. Their findings indicated as follows:

- i) approvals, rejections, and pending applications accounted 62.60, 22.00, and 15.40 per cent respectively of the total applications.
- ii) assets of large business houses increased by 12.5 per cent from 1972 to 1975, which was not considered normal.

- iii) the MRTP Commission's effective participation being 7.39 per cent, it is apparent that MRTP Act failed to hamper the growth of private sector.
- iv) various suggestions on the modification of Act, like extending its purview to the public sector, making it applicable to unfair labour practices and affecting modification in various definitions

Subramanyam (1982) conducted a study in Guntur district of Andhra Pradesh and found that there was need for the establishment of consumer organizations and consumer councils. Nearly 66 per cent customers believed that the consumers had to initiate action on their own and not depend on others

Arvind (1988) observed that a wide gap existed between percept and practice in India, for the executive orders and legislations were inadequate, leaving enough scope for loose interpretations. So the traders can either bribe the officials or take recourse to legal help in getting the Government orders quashed. Rigid orders notwithstanding the consumer remains unprotected.

Saklani and Dhyani (1989) concluded in a study that while over 60 per cent consumers were dissatisfied with the standard of many durable and non-durable goods only available at a given point in time, nearly 50 per cent of them actually complained and a little over 50 per cent obtained relief by way of product exchange or price refund. Those who did not find redressal made no further attempt to gain justice. In another study, Dhyani and Saklani (1990) concluded that the consumer on the whole, shies away from complaining mainly because either the product concerned was very low priced or they were apprehensive about redressal.

Analysing the consumer complaints, Shah (1989) stated that the complainants were not only more conscious about the end result of the complaints lodged but also there was a qualitative change noticed. The complaints were made both by individual consumers on one hand and industrial and commercial organizations on the other hand. The complaints largely pertained to services, supplies, refund of deposits and booking.

Promila and Harpreet (1989) conducted a study based on an image test in order to gauge the image of the railway passenger service among the public. They found that most of the customers were dissatisfied with the services of the railways on different fronts like catering, cleanliness and enquiry services. However, the customers were satisfied with the reservation arrangements, punctuality of trains and the behaviour of the Railway employees. Most of the complainants did not use the redressal services provided by the Railways. More than 60 per cent of them cited the reason that they did not expect any concrete action from the Railways.

Thanulingam and Kochadai (1989) carried out a study to assess the knowledge of the consumers about consumer movements in Madurai city. The data, collected through a questionnaire of 120 consumers, revealed that 46.67 per cent of the consumers were aware of consumer rights, 52.5 per cent were aware of consumer protection and 51 per cent knew about the consumer protection council. However, only 3.33 per cent consumers had approached the council with complaints.

A consumer study carried out by Natarajan (1990) revealed that awareness level was high and medium among 34.40 per cent and 55.56 per cent of consumers respectively. It concluded that consumer awareness towards ISI mark and its benefits was high. It also revealed that the consumer had

favourable attitude about the quality, performance and dependability of goods with an ISI certification mark.

A study under taken by Rao (1990), showed that the Khammon Forum had created great awareness among consumers about their rights through interpreting the consumer rights and also bringing out publications of the decisions. This study further revealed that appropriate relief was made available to 62 per cent of the complaints and most of consumers seemed to give utmost importance to public cause rather than their personal grievances.

In an exploratory study on consumer attitudes towards consumerism conducted by Singh (1990), it was noted that consumers were dissatisfied with the information provided by businessmen and most of the consumers were in favour of more of Government regulations in this regard. At the same time consumers blamed themselves for their carelessness or ignorance. They believed that consumer education was essential for intensive consumerism.

Dhyani and Saklani (1990) conducted a study with the objective of examining the role of government agencies in consumer protection. It notes that:

- i) the MRTPC is unable to keep pace with the complaints filed regarding Restrictive Trade and Unfair Trade Practices.
- ii) there is 9-fold increase in cases processed during the year as compared to previous year.
- iii) in case of violation of the law for weights and measures, less than 26 per cent of cases led to prosecutions.
- iv) the Delhi Forum has processed more than 55 per cent of complaints received while Dehradun Forum has disposed off 60 per cent complaints.

Singh et al in 1990 carried out a study to gauge the awareness of consumers regarding consumer rights, responsibility and laws. Fifty women were randomly selected from Shahpur village, Hissar and 50 women from Haryana Agriculture University campus for collecting data. The study concluded that a large percentage of consumers were unaware of their rights. About 90 per cent of rural respondents were unaware of their responsibilities or have never heard of consumer laws, and 70 per cent respondents residing in urban areas were aware of their duties as consumers. However, out of these only 10 per cent of the consumers were aware of the Consumer Protection Act.

A study was conducted by Chandra and Patel (1994) for assessing the awareness of college students on consumer practices, involving 150 second year and third year undergraduate students of Home Science. It points out that students' awareness of consumer practices was found to be low. About 50.7 per cent scored below mean. Even so, it was also found that students' awareness about consumer practices was equal among second and third year students.

Saklani and Dhyani (1994) carried out a survey of 500 respondents in three cities of northern India, namely Delhi, Dehradun and Rishikesh to assess consumer awareness of Consumer Protection laws. The overall correct response rate was 43 per cent, which reflected poor awareness of Indian consumers. Further, a strong association between consumer awareness and education, income and sex were noticed.

4.0 Researches Related to Consumer Complaint Behaviour (CCB)

There are a lot of researches related to CCB available. According to Diener and Greyser (1978), a redress need is a post purchase complaint requiring some

form of compensation or satisfaction. Such needs can be caused by products/services that

- fail to live up to consumer expectations.
- perform poorly or break.
- result in personal injury or property damage.

Jacoby and Jaccard (1981) defined complaining behaviour as an action taken by individual which involves communicating something negative regarding a product or services either to the firm manufacturing or marketing that product or to some third party organization or entity

Further, Day et al (1981) among others contend that non-behavioural responses, such as the one wherein the consumer forgets about a dissatisfying episode and does nothing, should be considered as legitimate consumer complaint behaviour (CCB) response.

According to Day and Landon (1980), consumer complaint behaviour (CCB) phenomena is triggered by some feelings or emotions of perceived dissatisfaction. Thus consumers' responses cannot qualify as CCB without a feeling of dissatisfaction. Secondly, CCB responses are generally considered to fit into two broad categories, viz., behavioural and non-behavioural. Behavioural responses, which traditionally have been the focus of complaint behaviour studies, constitute any or all consumer action that conveys an "expression of dissatisfaction". Conceptually, these responses need not be limited to those directed towards the seller. Behaviours involving third party or even friends or relatives (e.g. negative word of mouth communication) are also regarded as being in the category of behavioural responses (Day 1984, Riches 1983)

Singh (1988) conceptualised CCB as a set of multiple behavioural and non-behavioural responses, some or all of which are triggered off by perceived dissatisfaction with a purchase episode.

Classification Issues: A review of the CCB literature shows two major attempts to address taxonomical issues related to the CCB construct.

Day and Landon (1977) proposed a two level hierarchical classification scheme. The first level distinguishes behavioural (i.e. action) from non-behavioural (i.e. no action) responses. The second level represents the distinction between public and private actions. Public actions include seeking redress or refund from the seller/organization, complaining to consumer organization and legal action.

Day (1978) proposed that the purpose of complaining could be used to classify consumer complaint behaviour (CCB) into three broad categories.

- Redress-seeking: - The motive is to seek specific remedy either directly or indirectly, from the seller (e.g. complaint to organization, initiation of legal action etc.).
- Complaining: - The motive is to communicate dissatisfaction for reasons other than seeking remedy (e.g. to affect future behaviour, to persuade others by word of mouth communication etc).
- Personal boycott. - The motive is to discontinue use/purchase of the offending service.

On the contrary, Day and Ash (1979) suggested that for complex and expensive products (e.g. durable goods), consumers are expected to engage more often in taking public action. In such situations, the chances that the

consumer will do nothing at all or take only private actions are lower and yet appear to be substantial.

Jacoby and Jaccard (1981) identified other factors particularly the marketing channel, the individual consumer and the situation, which play an important role in determining whether a dissatisfied consumer will lodge a complaint or not.

A study was undertaken in (1972) by Liffield' et al regarding demographic characteristics of 17,000 Canadian consumer complainers who had written a letter of complain to one of the several government or voluntary consumer service agencies in 1972. The variables included were age, education, family income, marital status, occupation, sex, and frequency of consumer complaints. The results displayed that the average consumer complainer was middle aged, well educated, affluent and belonged to managerial/professional occupation. A small number of consumers accounted for a relatively significant proportion of complaint letters received by the various agencies. Of all the complaint letters written by the respondents in 1972, 22 per cent were written by only 9 per cent, and 49 per cent by only 24 per cent of the sample.

Warland et al (1975) developed a new profile of the dissatisfied consumer by considering not only those who got upset about business practices, but also what they did about it. Random stratified samples of 1215 adults with telephones in the US were surveyed. The demographic profile included age, education, income (own stock and bonds), and social class of head, group membership and political inclination. In order to link consumer dissatisfaction to complaint action, the responses were categorized into three consumer dissatisfaction action groups

- 1 Those who were upset with the way they were treated and did something about it.
2. Those who were upset with the way they treated and did nothing about it.
3. Those who reported they were not upset with the way they have been treated.

The results revealed that one third of those interviewed were upset with the way they were treated as consumers, while two-thirds indicated they had not got upset. Of those who got upset, approximately two-thirds did something (upset- action) and one-third did nothing (upset-no action). The findings revealed that those classified as upset-action appeared to be distinct socials. They were educated, earned higher incomes, were more frequently in top socio-economic group, were more active in formal organization and were more politically committed and liberal than other two groups. The demographic profiles of upset – no action and not upset were quite similar. The upset-action and upset-no action groups were similar in their perception of consumer problems and needs. The upset-no action consumers were less well to do and less educated than the upset-action consumers and did not engage as often in consumer and political action as did their upset-action counterparts. They were also financially pressed, least politically committed and most pessimistic about the interest of legislators in their problem and general state of country. The data suggested a profile of consumers who got upset, but took no action. These consumers were interested in consumerism but felt frustrated in being unable to decide what to do due to their lack of knowledge, lack of experience or due to fatalistic attitude towards their plight. In frustration they directed their anger towards the system, viewing both business and government in very negative terms. A majority of those interviewed did not report getting upset. These were the consumers most satisfied with the service practices and least interested in

consumerism. They had complained very little and showed little sign of participating in consumer activity.

A telephone interview was carried out by Andreassen and Best (1977) of 2400 metropolitan households towards dissatisfaction among purchasers of 26 products and 8 service categories, ranging from air conditioners to mail order merchandise to medical and dental care. The data, collected in the Spring of 1975 in 34 major metropolitan areas in the continental United States, revealed that

1. one in five purchases of products and services resulted in consumer dissatisfaction with something other than price.
2. about one in three of the complaints ended with an unsatisfactory resolution of the problem.

Further Diener and Greyser (1978) made a survey to gauge the views of consumers regarding redress needs in the personal care industry. The survey was conducted by telephone among 466 female respondents ("lady of the house") in 19 cities. The respondents were selected by quota sample from telephone directory. Demographic characteristics considered were age, size of the family, years of education completed and total family income. The results indicated that 35 per cent of the 466 respondents had faced problems in past year. However, only less than 3 per cent of the regular users of the product category reported having experienced product problems of any kind. The highest percentage of respondents did remember their problem with skin irritation most clearly. While one half of the respondents who remembered reported that they were very annoyed with the problem they experienced. With respect to the redress action taken by consumers of personal products, 45 per cent of the respondents did nothing and 46 per cent of the respondents initiated some action like "complaining". The respondents, who complained, included

34 per cent and they complained to their friends. Such negative word of mouth to friends was even higher for persons who were “very annoyed”. Another 7 per cent complained to retail store and 1 per cent to their better business bureau. Besides complaining, 9 per cent of the consumers returned the products – 8 per cent to store and 1 per cent to manufacturer. Out of the respondents who reported taking “no action” regarding complaints, 56 per cent said that they did not feel any action was worth the time or effort. This study found that the most significant reaction for dissatisfied consumer of personal care product was simply the “action” of not repurchasing, while 95 per cent of the respondents with memorable problems in cosmetics use did not inform the manufacturer of their problems as brand switching was the easiest and the least troublesome form of redress.

In a study conducted by Day and Ash (1979) in the United States, some typical findings were reported in consumer complaint behaviour regarding both non-durable goods and durable goods. After dissatisfaction with durable goods, 32.5 per cent of the respondents reported warning their family and friends (i.e. private action). For non-durable goods, similar action was reported to be 33.3 per cent. In contrast, the percentage of respondents who complained to the seller for a replacement or a refund (i.e. public action) was 42.1 per cent and 57.9 per cent for durable and non-durable goods respectively. That is, as the product complexity increased (non-durable → durable), the extent of private action remained about the same but public actions actually decreased.

Bearden and Teel (1980) carried out an investigation of personal influence on consumer complaining. A structural equation model relating consumer attitude toward complaining to individual confidence, perceived risk, and attitude toward the situation was proposed and tested using multiple indicators of unobserved constructs. Data were collected from South Carolina by mail

survey from a statewide random sample of 310 residents. The result suggested the potential impact that individual characteristics, risk perceptions, and situational influences can have on consumer complaining. Retailers and consumers may continue to encounter difficulty in encouraging the expression of justified complaints. Consumer reluctance to complain may stem from something more than simply lack of complaint channels. Lack of confidence on the part of consumers, perceptions of the risk involved in public expressions of complaint and feelings in general about situations involving complaint interactions represent personal variables that may well inhibit consumer complaints about market place problems irrespective of the business environment.

A study conducted by Bernhardt (1981) about consumer problems and complaint actions of older Americans included a review of the market segment of senior citizens, with particular emphasis on previously unreported data from two large-scale studies of consumer problems and complaint action. The findings revealed that elderly and younger consumers reported a higher level of dissatisfaction with services than with products. High levels of dissatisfaction were found for car repairs, appliance repairs and mail-order purchases in particular. The major problems encountered by elderly consumers included unavailability of advertised specials, unsatisfactory performance/quality, and unsatisfactory repair/service. Many of the elderly consumers in the two studies did not take any action after encountering a problem. The results reported that many elderly consumers believed that complaining will not accomplish anything or was not worth the effort. Others did not know where and whom to approach in order to complain, or felt that complaining would take too much time

Richin's (1983) data on consumer dissatisfaction with appliances and clothing indicated that consumers, who had less positive perception of retailer's responsiveness that a complaint should be registered, had a greater likelihood that, their action would involve word of mouth (i.e. private) but would not demonstrate consumer complaint behaviour (CCB).

Bearden and Teel (1983) conducted a two-phase longitudinal study of consumer expenses with automobile repair/services to determine consumer satisfaction, consequences and antecedents. The data were collected from 375 members from an original sample of 749 households of a two-state consumer panel. The variables included were expectations, attitudes, intentions, satisfaction and complaint reactions related to the use of automobile repair service outlets. The results revealed that 54 per cent of the respondents were men, the median family income category was \$ 25 – 30,000 and respondents' average age was 49.94 years. The results supported the previous findings that expectations and disconfirmation were plausible determinants of satisfaction, and suggested that complaint activity may be included in research into satisfaction/dissatisfaction of consumer complaining behaviour.

A longitudinal field study was carried out by Bearden (1983) to examine a number of hypothesized differences between dissatisfied consumers who took public action and those who remained silent against auto repair services. Data were collected in a longitudinal design by a consumer panel encompassing North and South Carolina. Expectations were assessed for the six service attributes namely cost, quality, location, reputation, speed of repair, and friendliness of service. Information was also collected regarding demographic, attitudinal, and personality characteristics hypothesized to influence complaining behaviour. Difference in consumer characteristics between the complainer and the non-complainer was examined. The complainer group was

younger and somewhat more upscale economically, and reported more personal competence in dealing with consumerist activities. Consumer complaint behaviour (CCB) appeared to be a function of both

- (1) the comparison of expectations with outcomes and other purchase related variables and,
- (2) individual consumer characteristics and predispositions.

Bearden and Oliver (1985) carried out a two-phase panel study to investigate the relationship among satisfaction with complaint resolution. The variables included three exogenous variables (income status, propensity to complain and the costs or monetary loss associated with problematic expenses) and three endogenous variables (private complaints, public complaints and satisfaction with complaint resolution). The sample population included a consumer panel representative of households in urban and suburban areas with family income above \$10,000. Results indicated that firstly, greater problem costs appeared to stimulate both forms of complaint behaviour - private and public; secondly, the extent of private complaint behaviour was inversely related to satisfaction with firm response, and thirdly, public complaining is positively related resolution satisfaction. Thus, it was concluded that failure of an organization to seek out and satisfactorily resolve complaints may well result in loss of good will and negative word of mouth.

A study was conducted by Andreasen (1985) to test consumer dissatisfaction in loose monopolies, based on Hirschman proposed model of loose monopoly "in a condition where supplies of a product or services hold near monopoly, and a small amount of competition exists, the suppliers/providers will be largely insulated from self-policing mechanisms in the market place. The study was conducted through telephone interviews for hospital services. Three groups were randomly selected with 547 eligible respondents, women in prime child-

bearing age (18 to 35), men or women over 65 years of age, or men and women who had been hospitalised in the preceding five years. The study found that over a substantial period of time, in only 16.5 per cent group of consumers perceived dissatisfaction and did something about it. Hirschman could predict that the vast majority (88 per cent) simply switched practitioners. Of those who did not switch, only 11 per cent reported making an attempt to voice a complaint.

Agbonifoh and Edoreh (1986) carried out a study to assess the consumer awareness and their complaint behaviour. The samples of the study were drawn from all adults in Benin city, Nigeria. The city was divided into nine zones and 50 adults were selected out random. The variables included were awareness about protection laws, influence of education, age, and sex and consumer redressal behaviour. The awareness level was found low at 48.1 per cent with respect to consumer rights. Education stood out clearly as an important factor influencing the level of awareness. In the area of complaining behaviour, 77.4 per cent had suffered losses. Of these 53.04 per cent merely complained to friends, 31.74 per cent complained either to the seller or the manufacturer, while others (15.22 per cent) took their complaints to either government agencies or consumer associations. In the area of complaining behaviour, the results suggested two things. Firstly, that consumers suffer in silence, secondly that the legal process is considered too expensive to allow the seeking of redress for infringements on consumers' rights.

Singh (1988) assessed the validity of three current operationalizations and taxonomies of CCB using intention data from four different independent CCB situations, namely, medical care, grocery, auto repair and bank. A questionnaire consisting of CCB intentions and behaviour items, several other questions pertaining to dissatisfaction, and some background questions were

mailed to a random sample of 1000 households in South West Texas. The findings indicated that the current available taxonomies and operational definitions could not be accepted as satisfactory representations of observed CCB responses.

An exploratory psychometric investigation of automobile repair CCB using a intention data of four different and independent CCB situations uncovered a structure and taxonomy that appear to be reasonably valid in three independent CCB situations.

The uncovered structure showed that CCB is a three-faceted phenomenon consisting of voice, third party, and private actions. The evidence seemed sufficient to indicate that the three dimensions of CCB are distinct, have discriminate validity, but warrant additional research attention. Hence researchers examining the antecedents and/or consequences of CCB may benefit by investigating at the level of the individual dimension of CCB. In other words, research treating CCB not as a homogeneous, one-dimensional phenomenon, but as consisting of three distinct dimensions, has the potential of affording a better explanation and prediction of CCB itself.

Thyagarajan (1990) conducted a study on the recent owners of 100 cc motorcycles. The analysis concentrates mostly in identifying the problems faced by the consumers and the resultant complaint intentions and redressal behaviour. The results revealed that more than 60 per cent of consumers were faced with either product or service problems. In 100 cc motorcycle sector, service problems dominated more as compared to product problems. As regards the demographic profiles, the semi-urban consumers faced more service problems than those in the urban category. The urban consumer's

complaint shows more of preference in voicing action and private actions rather than public action.

An empirical study was carried out by Singh (1991) to investigate several hypotheses that attempt to tie structural factor in different industries (i.e., “loose monopoly” conditions) to individual consumer’s responses (and perceptions) concerning market place dissatisfaction. This hypothesized manifestation of macro level factors in micro level behaviour was based largely on Hirschman’s Exit, Voice, and Loyalty. Different mail questionnaires were developed and tested on 1000 households in South West United States for each of the three service industries, namely, medical care (monopolistic), automobile repair (loose monopoly), and grocery shopping (competitive). The study was based on cross-sectional data. The findings of the study revealed that while voice was largely a macro driven response (effects of structural factors played a dominant role on consumer’s response), the private actions were probably mixed responses (both structural and individual factors interplay in affecting dissatisfaction responses). Dissatisfied consumers were significantly less likely to use voice action if their problem involved medical care instead of either grocery or automotive repair problem. The findings revealed that the more an industry manifests characteristics of loose monopolies, the more it is likely to be perceived to restrict voice action. Also, the more it mimics a loose monopoly, the more likely consumer would use private action. Second, the variation in private action was influenced by industry as well as individual characteristics (i.e. mixed response). Conversely, when voice was uninhibited and served to redress dissatisfactions, consumers might compensate by less frequent use of private action. This notion of compensatory mechanism was clearly evident from grocery (voice = 76 per cent, private = 32 per cent, exit = 13 per cent, W-O-M=28 per cent) and medical care (voice= 48 per cent, private = 66 per cent, exit = 49 per cent, W - O - M = 57 per cent)

dissatisfaction. It appeared that the more an industry mimics a loose monopoly, the more likely, it is that dissatisfied consumers compensate for the perceived loss of voice option by gains in exiting to alternative sellers and/or voicing to friends and relatives.

Singh and Pandya (1991) had explained the effect of consumer's dissatisfaction level on complaint behaviour. The results of the study were based on data collected from 104 households, who had a recent dissatisfying experience with bank and financial institutions. A critical-incident approach was used. The demographic profile of the samples revealed that 47 per cent were male, 69 per cent married, 30 per cent between the ages of 25 and 35 and about 34 per cent above 50 years of age, 69 per cent had college or higher education, 32 per cent were professionals and 25 per cent white-collar workers, and the median income was in the range of \$30,001 – 50,000. Over 77 per cent of respondents reported that they had voiced their problems to banks. Exit (28 per cent) and negative word-of-mouth (W-O-M) (38 per cent) were less frequent consumer complaint behaviour responses. The sample had an overall dissatisfaction level (6.4) slightly above the mid-point of the scale (i.e. 5). However, the large standard deviation in this measure (value = 3.13) suggested considerable variance in perceived dissatisfaction. The respondents felt somewhat more positive about other people complaining, that is, the social (SO) dimension of attitude towards complaining (mean = 4.52), than they were about complaining themselves, that is, the personal-norm (PN) dimension (mean = 3.98). Both values, however, were above the mid-point of the scale (3.5). Voice responses were only moderately affected by the level of dissatisfaction, though a linearly increasing relationship was evident overall. For instance, when dissatisfaction level was low (i.e. less than 20 per cent), 72 per cent of the respondents reported taking voice action. At high dissatisfaction level, the percentage of respondents, taking voice action increased to 85 per

cent. The more dissatisfied the consumers, the more likely they were to use voice options. Such simple linear processes are not adequate to explain exit and negative W-O-M actions. Instead, exit and W-O-M actions were triggered off by some threshold effect, that is, once consumers exceeded a particular dissatisfaction level (90 – 100 per cent in the study), their propensity to use such actions increased substantially. The extent to which consumer's attitude towards complaining is translated into complaint behaviour depends upon the level of their dissatisfaction. In general, the higher the dissatisfaction level, the stronger the relationship between attitudes and behaviour. For negative W-O-M, stronger relationship between attitudes and behaviours occurs for medium rather than high dissatisfaction.

Singh and Widing II (1991) had proposed a model to describe the post-purchase phenomena, a process-oriented framework that explains how the consumers may convert initial dissatisfaction into final satisfaction. The proposed model affords several implications for managers and researchers. From a managerial standpoint, the theoretical model can help managers identify effective resolution mechanisms. In addition, different consumer segments (example, the elderly) may have different expectancies and norms of seller responsiveness in very similar dissatisfaction situations. Knowledge of these differential cognitions can improve customer service effectiveness potentially.

In a study carried out by Norum and Scrogin (1996) with respect to consumer complaint behaviour in children's wear market, 2000 households were randomly selected and a questionnaire was mailed. The dependent variables of the study included private action or public action while independent variables included in the analysis were cost benefit (price and household income), situational (satisfaction, garment type), learning (educational level, family size,

gender nor race was found to be significant predictor of consumer vulnerability but their perception about the quality was not found significant.

5.0 Researches related to Perceived Service Quality

Quality is an elusive and distinct construct often mistaken for imprecise adjectives like “goodness, or luxury, or shininess, or weight” (Crosby 1982). Quality and its requirements are not easily articulated by consumers (Takeuchi and Quelch 1983).

The potential impact of these responses on a firm can be significant. One nationwide Study (Technical Assistance Research Programs, 1979) reported that depending on the nature of the dissatisfaction, from 30 to over 90 per cent of dissatisfied respondents did not intend to repurchase the brand involved. If the number of consumers experiencing dissatisfaction was high enough, such responses might have lasting effects in terms of negative image and reduced sales for the firm.

Another study (Technical Assistance Report Programs, 1979) reported that, those dissatisfied customers who made a complaint about their dissatisfaction reported higher purchase intentions than those who did not complain, even if their complaints were not satisfactorily handled.

Crosby (1979) defines quality as “conformance to requirements.” Garvin (1983) measures quality by counting the incidence of “internal” failures (those observed before a product leaves the factory) and “external” failures (those incurred in the field after a unit has been installed). Knowledge about quality of goods, however, is insufficient to understand service-intangibility, heterogeneity and inseparability – must be acknowledged for a full understanding of service quality.

Firstly, most services are intangible (Bateson 1977, Berry 1980, Lovelock 1981, Shostak 1977) because they are performances rather than objects, and precise manufacturing specifications concerning uniform quality can rarely be set. Most services cannot be counted, measured, inventoried, tested and verified in advance of sale to assure quality. Due to intangibility, the firm may find it difficult to understand how consumers perceive their services and evaluate service quality (Zeithaml 1981).

Secondly, services, especially those with high labour content, are heterogeneous. Their performance often varies from producer to producer, from customer to customer, and from day to day. Consistency of behaviour from service personnel (i.e. uniform quality) is difficult to assure (Booms and Bitner 1981) because what the firm intends to deliver may be entirely different from what the consumer receives.

Thirdly, production and consumption of many services are inseparable (Carmen and Langeard 1980, Gronroos 1978, Regan 1963, Upah 1980). As a consequence, quality in services is not engineered at the manufacturing plant, and then delivered intact to the consumer. In labour intensive services, for example, quality is to be found evident during service delivery, usually in an interaction between the client and the contact person from the service firm (Lehtinen and Lehtinen 1982).

Examination of these writings and other literature on services suggests three underlying themes:

- Service quality is more difficult for the consumer to evaluate than quality of goods

the dissatisfaction and perceptions of retailer responsible. The investigation was carried out in two stages. In-depth interviews were conducted with 8 adult consumers and exploratory questionnaire containing open-end item were administered to 53 adult consumers and 72 college students. The sample consisted of middle to upper middle-class adult males and females in Austin, Texas. All respondents were pre-screened and only those who had experienced dissatisfaction, with either a clothing item or a small or a large appliance within the prior six months, were questioned. The word of mouth communication (WOM) response was defined as an act of telling at least one friend or acquaintance about the dissatisfaction, and 57.2 per cent of the respondents in sample did so. Complaining was confined to complaints to retailers, manufacturers or third party such as the Better Business Bureau, with 33.3 per cent of those in the sample reportedly making such complaint. A significant number of respondents, ie 32.3 per cent, engaged in neither WOM nor complaining behaviour. The study has shown that the nature of dissatisfaction problem, consumer's attribution of blame for the dissatisfaction and perceptions of complaint situation are related to responses dissatisfaction.

An exploratory study was undertaken by Parasuraman et al (1985) to investigate the concept of service quality. Four service categories were chosen for investigation, i.e. banking, credit cards, securities brokerage, and product repair and maintenance. In-depth personnel interviews comprising of open-ended questions were conducted with executives of firm and focus groups. The research revealed ten dimensions (reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding and tangibles) that consumers use in forming expectations about and perceptions of services, dimensions that transcend different type of services.

of performance) scale explains more of the variations in service quality than does 'SERVQUAL' (service on the basis of quality). Quality is an antecedent of consumer satisfaction, i.e. consumer satisfaction exerts a stronger influence on purchase intentions than service quality. Much less attention was given to consumers, reactions to dissatisfaction. Potential responses include

- (a) switching brands or refusing to re-patronize the offending store
- (b) making a complaint to the seller or to a third party, and
- (c) telling others about the unsatisfactory product or retailer.

Keaveney (1995) carried out an exploratory study on consumers switching behaviour in service industry. The data was collected from 500 full-time corporate employees using the critical-incident technique. Critical incidents were defined as any event, combination of events, or series of events between the customers and one or more service firms that caused the customer to switch service providers. The six-month time-frame was taken for reliable recall of the incidents. The results showed demographically 58 per cent of the respondents were female and 42 per cent male; and 62 per cent were married and 52 per cent had at least one child. Price was the third largest switching category, mentioned by 30 per cent of all respondents. The "pricing" category included all critical switching behaviours that involved prices, rates, fees, charges, surcharges, service charges, penalties, price deals, coupons or price promotions. More than 20 per cent of all respondents attributed at least one of their reasons for service switching to inconvenience. The "inconvenience" category included all critical incidents in which the customer felt inconvenienced by the service provider's location, hours of operation, waiting time for service or for getting an appointment. The largest category of service switching was core service failures mentioned by 44 per cent of respondents. Core service failure included all critical incidents that were due to mistakes or other technical problems with the service itself. Service encounter failures

were the second largest category of service switching, mentioned by 34 per cent of the respondents. Service encounters were defined as personal interactions between customer and employees of service firms. Unsatisfactory employee responses to service failures leads to 17 per cent of all service switching incidents. The “employee responses to service failures” category included critical switching incidents in which customers switched, not because of a service failure, but because service providers failed to handle the situation appropriately. Critical switching incidents were resorted to by 10 per cent in that category. The “attraction by competitors” category included critical switching incidents in which customers told stories about switching to a better service provider rather than from main unsatisfactory provider. Only 7 per cent of all critical incidents cited unethical service provider behaviour as part of the reasons for switching services. The “ethical problems” category included critical switching incidents that describe illegal, immoral, unsafe, unhealthy, or other behaviours that deviated widely from social norms. The involuntary switching category (6 per cent) included stories that described switching because of factors largely beyond the control of either the customer or the service provider.

Hathcote (1995) carried out a study to identify the consumer reasons for store “walkouts” and impact on future store patronage. The questionnaire was administered to 1000 consumers chosen randomly. Items on the questionnaire primarily focused on merchandise and service. The results revealed that significantly more customers walked out of the store due to poor merchandise assortment than because of pricing or poor store services. The second highest reason (31.4 per cent) for walking out was due to high price. No significant relation was found between consumer walkouts and age, sex, income and marital status. Customers, who walked out due to merchandise or pricing,

would probably shop in the store in the future while those who walked out of the store because of poor store service will not patronize the store in the future.

Mathur (1998) took a comparative study with the aim of examining the position of customer services in public sector banks. Samples of 35 customers belonging to different age groups were taken. The findings revealed that 22.85 per cent customers of the State Bank of India had to face difficulties in opening their accounts. About 57 per cent customers in each branch were dissatisfied regarding passbook entries. A very large majority of customers (about 81 per cent) who had responded held that there was need for improvement in bank services. From point of view of the study, the conclusion appears quite relevant. The customer complaints need to be redressed effectively. This is necessary both from the point of view of the customers of the bank services and also the long-term and short-term business objectives of banking organisation.

Researchers like Singh (1988, 1991), Day and Landon (1976, 1977), Richins (1983) and Sharma and Duggal (1989) have concentrated their research on defining consumer complaint behaviour and empirical studies were carried out on complaint behaviour related to consumer durables and services like auto repairing and medical facilities. Not many researches on consumers' redressal-seeking behaviour, particularly those related to monopoly services of central government like the Indian Railways were carried out either in India or abroad. This research will fill the lacunae existing in this field.