

# Consumer Exploitation In Organized Retailing And Its Remedial Measures – A Study In Tumkur District

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**Abstract:** India is the largest democratic nation with a huge population. India shows progress in all the fields like Science and Technology, Trade, Education, Sports, Industries etc., Indian economic scene has been divided into two phases (i.e) 1947 to 1991 as first phase, from 1991 as second phase. After the implementation of Industrial policy 1991, there have been many remarkable changes from consumers' point of view. Due to the introduction of LPG in our industrial policy, consumer is able to consume a wide variety of products at different price ranges. This has added a new dimension to Indian market scene and thus has shifted the scene in favour of consumer. Consumers are exploited or cheated in many forms like under weight and under measurement of product. The trader/ producer induce the consumer to buy the product through deceptive advertisement. Selling inferior quality product or substandard product, adulterated food product, these are very serious problem, because it affects the health of human resource. In the haste of profit traders are selling the banned and expired product and denying the warranty and guarantee, variants in contents of packs, inadequate labeling, selling the product at an exorbitant price, creating artificial scarcity etc, are the different forms of exploitation prevailing in Indian retail market. In this context, studying the causes and remedial measures for consumer exploitation becomes significant in further development of consumerism. This study will bring valuable results to overcome the consumer exploitation in organized retail sector.

**Key words:** consumer exploitation, organized retailing

## 1 .INTRODUCTION:

History of India is an evidence for safeguarding human values and Ethical practices. Most of the rulers who ruled our country gave importance for the welfare of the people. They framed rules and regulations to ensure social and Economic lives by establishing trade restriction to protect the interest of buyers. Later, monopoly power increased in the hands of sellers. In that period, exploitation became a common practice of sellers all over the world. In the modern world with the introduction of liberalization and globalization, the number of consumer related issues has increased. Consumer protection has become an important agenda of many nations. In our country Government has taken many steps to protect the consumers by passing special Act in Parliament to educate the consumers about their rights and responsibilities. With the enormous population, unemployment, poverty and illiteracy, consumer awareness has become poor.

## 2 .OBJECTIVES OF THE STUDY:

The present research study consists of following important objectives.

- To study the status of consumerism in India.
- To know the Socio status of the sample respondent with reference to organized retailing in Tumkur District.
- To know the economic status of the sample respondent with reference to organized retailing in Tumkur District
- To analyze the different forms of consumer exploitation in organized retail store with reference to Product and Price in organized retail store in Tumkur District.

### 3. RESEARCH METHODOLOGY:

The research study is descriptive in nature, involving both primary and secondary data.

The **primary data** are collected using interview schedule.

The **secondary data** are collected from various books, News papers, Journals, Magazines, Census report of ministry of Consumer affairs; Report published by National Commission, State Commission and District Forum Research publications.

### 4. SCOPE OF THE STUDY:

The area of the study covered only Tumkur district of Karnataka, which is an agricultural area. The scope of the study has been limited to certain important aspects like consumer exploitation in organized retailing and its remedial measures in Tumkur district

### 5. REVIEW OF LITERATURE:

The review of literature refers to review of previous research areas related and relevant to the present study. The following are some of the important reviews related to present research work.

**Nwaizugbo et al., (2014)** The result shows that mostly men complain to consumer protection agencies and besides, most complainants have a minimum of tertiary education. The consumer agencies must receive the consumers' complaint and respond to it quickly. They must be totally committed to the task of eliminating hazardous and substandard products and services from the market, and do everything possible to curtail to the barest minimum all forms of unfair trade practices. To effectively carry out these duties, trained experts on consumer protection issues with rich experience should be appointed to head these agencies in order to avoid having square pegs in round holes.

**Ishaswini and Saroj Kumar Datta (2014)** The survey focused on consumer rights awareness among the household consumers. Most of the consumers were aware of basic consumer rights than complex rights. It is found out that respondents have not utilized the consumer protection mechanism; there is a positive but weak correlation between consumer rights awareness and consumerism. The study recommended that consumer education should be a mandatory subject at secondary and at tertiary levels of education in Kenya.

**The New Indian Express Coimbatore (2014)** Villipuram officials from District Food Safety and Standard authority (FSSAI) confiscated around 576 half litre bottle of practical's 19 brand of soft drinks from a godown following the death of a nine- year old girl from Neyveli town in Cuddalore district. The girl reportedly died after consuming Cola from a bottle which had the same batch number as that of the seized bottle.

**The New Indian Express, Coimbatore (2014)** Officials of Tamilnadu Food Safety and Drug Administration Department inspected three godowns of local distributors of PepsiCo and seized soft drink bottles past their expiry date in Coimbatore on 13.02.2014. In a surprise raid at two distributors' godowns at RG Nagar. Officials found expired soft drinks belonging to their batches without proper invoice. The officials seized 77 cases of expired soft drinks of different Pepsi Co owned brands. The seized products are worth about Rs.20, 000.

## 6. FINDINGS AND SUGGESTIONS:

The findings & suggestions based on the study are as follows:

### FINDINGS:

1. From the present study out of 384 total respondents, the maximum number of respondents were taken from the Taluk of Tumkur with 36.20 percentages and the minimum percentage of 20.57 respondents have been taken from the taluk of Tumkur
2. From the analysis it is found that the maximum of (51.04%) the respondents are male and the minimum of (48.96%) respondents are female.
3. The study clearly shows that a maximum (29.95%) of the sample respondents are from above 40 years of age group and the minimum (14.06%) of the respondents are from the age group of up to 20 years.
4. The outcome of the study clearly shows educational qualification, of the respondents. Maximum (46.35%) of the respondents have completed their postgraduate level education and the minimum 9.90 per cent of respondents have school level education.
5. It is clear from the present study that out of 384 respondents, the maximum (39.84%) of respondents' occupation is business and the minimum of 9.64 per cent of respondents are Government employees.
6. It is revealed from the study that maximum (30.99%) respondents' monthly income is Rs. 10,001- Rs.20, 000 and minimum (8.85%) of the respondents' monthly income falls above Rs.40,000.
7. As regards the marital status 51.30 per cent respondents are married and 48.70 per cent respondents are unmarried.
8. A maximum of 50.26 per cent of respondent fall in the family size of 3-5 members and the minimum of 9.38 per cent falls in the family size of above 8 members.
9. The survey reveals that maximum 71.88 percent of respondents are from Nuclear family and the remaining minimum 28.13 per cent of respondents are from Joint family.
10. Among 384 respondents, maximum of 46.61 per cent families have two earning member in their family and the minimum of 11.20 per cent families have more than 3 earning members in their family.
11. While analyzing the type of retail store in which the consumers are buying regularly, the maximum of 75.3 per cent of the respondents are buying in Department store regularly and 4.7 Per cent of the respondents are regularly buying in Corporate store. 14.3 Per cent of the respondents are regularly buying in Super Market regularly and 5.7 percentages of the respondents are buying from General store.
12. By applying the Chi-square test, it is analyzed that there is no significant association found between demographic profile of the respondents' and their preferred type of retail store choice of retail store.
13. Nearly a maximum of 30 per cent of the respondents' monthly average purchase expenditure is Rs. Rs.1001-2000, and a minimum of 6 Per cent of the respondents' monthly average purchase expenditure is above Rs.5000.
14. There is a highly significant association among Income, Type of Family, Choice of retail store and the Monthly average purchase expenditure.
15. There is a significant association among Taulk, age and the monthly average purchase expenditure.
16. There is a significant association between exploitation in price with respect to age of the respondents
17. There is no significant association between exploitation in price with respect to Gender.
18. There is no significant relationship between consumer exploitation in price with respect to marital status of the respondents
19. There is no significant association between the consumer exploitation in price with respect to type of family.
20. There is no significant association between educational qualification of the respondents and exploitation in price.

## 7. SUGGESTIONS:

1. It is very important to know the awareness of consumer's rights. The present study shows that majority of the consumers are aware of the right to choose, right to safety, right to be heard, right to consumer education and right to healthy environment, but, only a minimum number of respondents' are aware the right to redressal. Therefore it is suggested that to eradicate the exploitation, the consumer must know the procedure for redressal like where to approach, how and what type of redressal they get. The consumer court may simplify the proceedings for filing and hearing of the case will boost the consumers to raise their voice against exploitation and effective implementation of decision by consumer courts will make the consumer believe that, if the things go wrong, they have effective mechanism to redress.
2. Consumers must know their duties and rights while shopping. The study reveals that the most regular buying practices followed by the consumers are Demand a bill, visiting two or more shops before purchase and comparing the manufacturing date and expiry date, but they are the least bothered about other responsibilities like preservation of bill, check the bill, Awareness on MRP, verification of standard marks, Guarantee and warrantee, offers, company name and place of manufacturing. In order to create awareness in mass level advertisement should be given in all media especially in TV channels both government and pay channels through the celebrity repeatedly. This will enable the younger generation to know the responsibilities of the consumer while buying.
3. Maximum respondents agree with false warranty and guarantee offered by the organized retail stores. Consumers must be very conscious while buying. They have to develop the habit of preserving the bill, warranty and guarantee card and it should be properly signed / sealed by the dealer so that, whenever the retailer denies the guarantee and warranty, they can take legal action against the retailers.
4. Replacement of damaged product is very difficult in organized retail store. There is the practice that product once sold will not be replaced. So the consumers find it very difficult to replace the damaged article and consumers sometimes feel that they don't want to waste the time for the replacement. Hence awareness should be created among the people that even a small amount of loss from each consumer makes a huge profit for the retailer.
5. In organized retail store, branded products are sold at less than MRP. It enhances the repeat purchase. To attract the consumers, the specification of the product will be degraded on the notion that consumers prefer to purchase product at low cost. Hence the consumers should not be trapped / deceived towards low price products.
6. The major problems faced by the consumer while selecting the items in organized retail store are huge crowd, long queue in billing and lack of customer care. The retailer should concentrate on the time of consumer. A consumer with a cart can comfortably pass another. The store can come forward to afford seating facilities for aged persons and kids, inn and recreational facilities. Each department has to put one bench or seat so that the consumers never feel tired and the aged people and the kids can relax. And to avoid long queue in billing more billing counters should be open and it should be operated fast by well trained operators .Installation of wireless scanners can weigh the heavy items without lifting them. Now a days Self - Scanning is very popular and the consumer himself or herself scans the items being purchased at a checkout counter, pays by credit or debit card and bags the items.
7. It is very clear from the study that frequently purchased item from the organized retail store is food items. Food items include branded and private labels / own brand. Therefore organized retail store should provide hygienic and neatly packed food items to the consumer in a comfortable form. Arrange for disposal of expiry items from time to time. Organized retails store of Tumkur district promote their own brand. As it does not fall under the purview of standardization, there is a high chance for adulteration, underweight, spoiled goods. The food Safety and standard authority of India (FSSAI) has to visit frequently to inspect such unfair trade activities.
8. The duplication of price and differentiate price prevail in organized retail store. And it is associated with taluk specifically in the taluk of Pavagada, which is not at all a the developed area. Here the retailer, is exploiting the consumer through duplication of price and those with the family size 3-5 members experienced differentiate pricing from one store to another. The Government should make strict laws that the entire product whether branded or own brand

product should be packaged and it should contain the MRP, Date of manufacturing, and Date of expiry, Ingredients added, name and address of manufacturing company, Net Weight etc.

9. Consumers prefer to purchase the durable goods in organized retail store by expecting prompt after sales service. The reason behind this is that whenever the problem occurs in working of these durable goods, it can be easily set right through the dealer, but in reality the retailers are lacking in providing the services. The retailers must know that their work does not end after sale, because the satisfied customers are considered as asset of a store. So the retailers should create separate section and appoint a trained and experienced person who can register the complaint and he has to contact the respective department and make sure that the durable goods are set right within a week. The intimation should be given to the consumers so that they need not waste their time to make enquiry about the service of their durable goods.
10. Parking in recent days is the most uncontrollable civic problem not only in big cities, but also in small towns and cities. In an organized retail store where hundreds of consumers visit by their own vehicles, they need space to park their vehicles. In the absence of proper and safe parking arrangement, there is a chance of public nuisances. Every retailer should allot space in 3:1 ratio (ie) 3 Sq.ft of parking for every Sq.ft of retail store to make comfortable parking.

## 8. CONCLUSION:

Consumers are considered as a powerful part of the present business structure which influences and decides the length and breadth of the business. Owing to the global awareness of the consumerism and innovative business strategies, consumers are able to decide their choice in the open market. With the changing attitude of the consumer purchase behavior, organized retailing such as Department stores, Super markets, corporate store and General Stores are evolved. As a result consumers are free to change their needs in such system and also they are forced to be exploited by the organized retailers. Now in India, consumers are exploited in a scientific manner with the help of technology and innovations. In this regards this study concludes that consumer exploitation exists in organized retail particularly in Department store, super market, corporate store and General store in Tumkur district.

Consumer Exploitation can be overcome only through awareness on consumerism among the general public and the government mechanism should effectively Endeavour to avoid such situation not only in the particular study area, but also it should be extended to the whole country.

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