

REVIEW OF ELEMENTS INFLUENCING DEGREE OF SATISFACTION AMONGST CONSUMER LITIGANTS

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ABSTRACT

Though consumerism has been prevailing since Mauryan times but it has assumed relevance today only because of increased malpractices at marketplace such as fraudulent or deceptive advertising, non functional packaging, unsafe products and poor warranties etc. These practices have affected sentiments and eroded the sovereignty of consumers. Persistent infringement of consumer rights led them to unite together to defend their interest and as a result whereof unscrupulous business firms became the target of these groups. In this paper an analysis has been done to explore the level of satisfaction of complainant consumers and various factors responsible for satisfaction level.

KEYWORDS: Consumer Protection, Consumerism, Consumer Dispute Redressal Forum (CDRFs), Extent of Consumer Satisfaction etc.

INTRODUCTION

Profit maximization and wealth maximization are the basic aims of any business enterprise. To achieve these goals, it is necessary to capture the market by increasing the number of consumers. So consumers are the prime force that decides the fate of a business enterprise. To satisfy these consumers, need arises to communicate the information relating to price, quality, size, composition, usage, content etc. of the product to the consumer. There was a time when customer satisfaction was given paramount importance. They were not subjugated at the expense of profitability of the concern. It was said that in buyer's market, consumer enjoy supremacy and consumer is like a king. But in real life, no buyer's market is there; unscrupulous traders exploit consumer. Misleading advertisement, unfair trade practices, unreasonable prices, goods of sub-standard quality, defective packaging, poor after sale service, inadequate labeling, and adulteration of goods, false weights and measures are instances where clever and dishonest businessmen victimize consumer. Due

to over production of goods and increasing competition amongst producers and traders, profit maximization has become the sole aim of business enterprise. They have started cheating the consumers by supplying goods of sub-standard quality.

Therefore need was felt to have some institutional body so that consumers can be protected against ill practices of manufacturers and traders. It led to emergence of ideology of consumerism that provides business with a challenge to examine its marketing philosophy, practices and programmes which affect short and long term customer satisfaction which is consistent with public welfare. Consumerism as a movement is a set of policies aimed at regulating products, services, methods and standards of manufacturers, sellers and advertisers in the interest of buyers. Such regulations may be institutional, statutory or embodied in a voluntary code accepted by a particular industry or it may result indirectly from the influence of consumer organization. **Drucker (1969)** cited that marketing concept is not really practiced in context of consumer needs:

“Consumerism means a movement through which a consumer looks upon the manufacturer as somebody who is interested but who really does not know what consumer’s realities are. He regards the manufacturer as somebody who has not made effort to find out, who does not understand the world in which consumer lives, and who expects the consumer to be able to make distinctions which the consumer is neither able nor willing to make”.

He attempted to challenge four important premises of marketing concept:

- a) Consumers know their needs
- b) Business cares about needs and knows exactly how to find them.
- c) Business provides useful information about the product
- d) Products and services really fulfill expectation as well as business promises.

In spite of having Consumer Protection Act 1986 consumers are still exploited in the hands of marketers and service providers. After being victimized, a consumer has two options to exercise that is either to approach marketer/service provider or approach Consumer Dispute Redressal Forum (CDRFs). In case marketer/service provider does not listen to consumer’s plea, consumer is left with the other option only that is approaching CDRFs depending on the jurisdiction. Depending on the nature of relief one can seek and the facts, CDRFs may give an order any one or more of the following reliefs:

- Removal of defects from the goods

- Replacement of goods
- Compensation for the loss suffered
- Refund of the price
- Direction of not to repeat unfair or restrictive trade practices
- Withdrawal of hazardous goods from being sold

This paper aims at finding out whether a person who has lodged a complaint with CDRFs, that is a complainant, is satisfied with the judgement of Consumer Dispute Redressal Forum or not.

Objectives of the Study:

- ❖ To analyze the effectiveness of Consumer Dispute Redressal Forum (CDRFs)
- ❖ To check whether complainants are satisfied with the decision of Consumer Dispute Redressal Forum (CDRFs)
- ❖ To find out various alternatives to improve the effectiveness of Consumer Dispute Redressal Forum (CDRFs)

Sampling Design

A multistage stratified random sampling technique was used for the selection of the sample of the study. Punjab state is the locale of the study from where complainant consumers constitute the target population. Districts provided the first stage of sample, location the second stage and the complainants became the third stage of sample. This technique of sample selection was used to analyze the effectiveness of consumer courts and to check whether complainants are satisfied with the decision of Consumer Dispute Redressal Forums (CDRFs).

Selection of Districts

There are 20 districts in Punjab. A list of all the districts was prepared along with their literacy rate. The districts were grouped into three categories on the basis of level of literacy rate i.e. low literacy rate, average literacy rate and high literacy rate. This was done through employing commulative cube root method. Then one district from each category was randomly selected. The categorization of districts came to be as under: The selected districts were Moga from low literacy districts, Amritsar from average literacy districts and Ludhiana from high literacy districts.

Selection of Complainants

Three separate lists of complainants' along with their contacts were prepared on the basis of information available from the office of District Forum of the selected districts. These lists were further divided into rural and urban complainants on the basis of addresses given by the District Forum. In this way, there became 6 lists that is 3 for rural complainants and 3 for urban complainants. From each list 35 complainants were visited for the data collection out of which 25 complainants were selected for the study. Thus the sample of the study for objective-I comprised of 75 rural complainants and an equal number of urban complainants. A sample of 150 complainant respondents (50 from each district) was selected from the districts of Amritsar, Ludhiana and Moga for intensive study. The ultimate sample of the study came to be as under:

Literacy Rate	District	Rural	Urban	Total
Low	Moga	25	25	50
Average	Amritsar	25	25	50
High	Ludhiana	25	25	50

Data Collection

After reviewing various studies related to consumer issues, one questionnaire meant for complainants was prepared which contained open as well as close ended questions. Preliminary draft of the questionnaire was pre-tested on 10 consumer and marketers. It gave an indication as to the kind of responses that will be forthcoming. To obtain necessary information regarding time taken to redress the complaint and difficulties faced by both the parties in redressal process Personal interview method was selected.

Findings of the Study

Following results emerged from the examination of the data collected for the purpose of the study:

I Practice - Related Complaints

A perusal of table given below showed that the highest proportion i.e. 37.33 per cent of total respondents lodged complaints against deficiency in services, followed by sub-standard quality (28.67%) and negligence (22.00%). The lowest proportion i.e. 1.33 per cent of total respondents lodged complaints against defective packaging, followed by unreasonable prices (6.00%), inadequate labeling (8.67%), misleading ads (9.33%), unfair

trade practices (10.00%) and poor after sale service (12.00%). The pattern of practice-related complaints was almost similar in rural and urban areas. However, the complaints related to misleading advertisement were budged by a significantly higher proportion of urban respondents (14.67%) in comparison with the rural respondents (4.00%) as conveyed by the significant Z-value (2.25**). Reason behind this significant difference is that people in urban areas are well educated so they are aware of their rights as a consumer. The differences in the proportions of respondents who budged complaints against different types of practices were non-significant, except misleading advertisement as indicated by the calculated z-values.

Table 1: Type of practices against which complaints were lodged by the customers

Practices	(Multiple Response)						
	Rural		Urban		Total		Z-value
	No.	%age	No.	%age	No.	%age	
a) Misleading Advertisements	3	4.00	11	14.67	14	9.33	2.25**
b) Unfair Trade Practices	9	12.00	6	8.00	15	10.00	0.82
c) Unreasonable Prices	6	8.00	3	4.00	9	6.00	1.03
d) Substandard Quality	19	25.33	24	32.00	43	28.67	0.90
e) Inadequate Labeling	5	6.67	8	10.67	13	8.67	0.87
f) Defective Packaging	0	0.00	2	2.67	2	1.33	1.42
g) Deficiency in Services	29	38.67	27	36.00	56	37.33	0.34
h) Negligence	15	20.00	18	24.00	33	22.00	0.59
i) Poor After sale Services	7	9.33	11	14.67	18	12.00	1.01

II Outcome of the Complaints

Table showed that compensation of the loss was the outcome of the proceedings of litigation in CDRFs as reported by the higher proportion, i.e. 44.67 per cent of total respondents which was followed by replacement of goods/services (42.00%). As much as 11.33 per cent of them reported that repair of the damaged goods/services was the outcome of the litigation process in Consumer Dispute Redressal Forum (CDRFs).

Region-wise analysis depicted a different pattern. Compensation of the loss was the most common outcome among rural respondents (60.00%) while it was

replacement of goods or services among urban respondents (50.67%). The outcome in the form of replacement of goods or services was reported by significantly higher production of urban respondents (50.67%) than rural respondents (33.33%). Contrary to it, a significantly higher proportion, i.e. 60.00 per cent of rural respondents reported compensation of loss as an outcome of litigation there 29.33 per cent of urban respondents. The outcome of proceedings of litigation was found to be in correspondence with the forms of measures adopted by the consumers before approaching CDRF. Thus, replacement of goods in urban areas and compensation of loss in rural areas came to be the major outcome of proceedings of litigation in Consumer Dispute Redressal Forum (CDRFs). Difference in proportions in case of replacement and compensation as an outcome was found significant as depicted by the Z-value 2.15** and 3.78*** respectively.

Table 2: outcome of proceedings of litigation in CDRFs

Outcome	(Multiple Response)						
	Rural		Urban		Total		Z-value
	No.	%age	No.	%age	No.	%age	
a)Replacement	25	33.33	38	50.67	63	42.00	2.15**
b) Repair	5	6.67	12	16.00	17	11.33	1.80*
c) Compensation	45	60.00	22	29.33	67	44.67	3.78***
d) In favour of other party	4	5.33	2	2.67	6	4.00	0.83

III Time Taken in Redressal

The respondents were asked to record the time taken by Consumer Dispute Redressal Forum to redress their complaints. Their responses are tabulated in Table 3 showed that the highest proportion i.e. 59.33 per cent of the total respondents recorded less than one month times taken for redressal of their complaints. This was followed by 35.33 per cent who reported 1 to 3 months time taken for the redressal of complaints. Only 5.33 per cent of them noted 3 to 6 month and an equal proportion reported 6-9 months time taken by Consumer Dispute Redressal Forum for redressal of their grievances. The average time taken came to be 1.81 months among rural respondents and 1.13 month among urban respondents. The Consumer Dispute Redressal Forum take significantly longer time in redressing the complaints from rural areas as compared to the urban areas as

indicated by the calculated t-value of 2.26**. This may be due to easy and nearer approach of urban respondents to go to Consumer Dispute Redressal Forum through advocated as compared to the rural respondents.

Table 3: Time taken in redressal of the complaint

Time Taken	Rural		Urban		Total	
	No.	%age	No.	%age	No.	%age
<1 month	46	61.33	43	57.33	89	59.33
1-3 months	26	34.67	27	36.00	53	35.33
3-6 months	3	4.00	5	6.67	8	5.33
6-9 months	8	10.67	0	0.00	8	5.33
Index of Time	1.81		1.13		1.47	
t-value		2.26**				

IV Level of Satisfaction

The information given in Table 4 shows that majority of the total respondents (78.00%) were satisfied with the judgment of Consumer Dispute Redressal Forum regarding their complaints against marketers. This proportion came to be 81.33 per cent in case of rural respondents and 74.67 per cent in case of urban respondents. The value of chi-square indicated that there was no significant association between level of satisfaction and region. Therefore, we may comment that CDRFs are functioning well in the interests of the consumer.

Table 4: Distribution of consumers according to their satisfaction level on the basis of judgment of CDRFs

Satisfaction	Rural		Urban		Total	
	No.	%age	No.	%age	No.	%age
Satisfied	61	81.33	56	74.67	117	78.00
Dissatisfied	14	18.67	19	25.33	33	22.00
chi-square			0.97			

V Reasons for Satisfaction

There were total 117 i.e. 61 rural and 56 urban respondents, who expressed satisfaction with the judgement of Consumer Dispute Redressal Forum regarding their complaints. There were multiple reasons of their satisfaction with the judgement. The most common reason was found to be quick decision of Consumer Dispute Redressal Forum as reported by 44.44 per cent of total respondents, followed by adequate compensation (40.17%) and unbiased judgement of Consumer Dispute Redressal Forum (35.04%).

The satisfaction with judgement due to quick decision was reported by a significantly higher proportion of urban respondents (55.36%) than rural respondents (34.43%) as conveyed by the z-value i.e. 2.28**. The differences in proportions of rural and urban respondents reporting other reasons of satisfaction were non-significant. This showed that urbanites received quick decision up to greater extent than rural respondents. This attitude of the Consumer Dispute Redressal Forum towards rural consumers or approach of rural consumers towards Consumer Dispute Redressal Forum needs to be rationalized. It is evident from the table that both rural and urban complainants feel that approaching Consumer Dispute Redressal Forum for redressal of complaints has hardly made any addition to their knowledge as a consumer. So government should make an effort to make consumer dispute redressal machinery more efficient.

Table 5: Reasons for satisfaction with the judgment of Consumer Dispute Redressal Forum (CDRFs)

Reasons	(Multiple Response)						
	Rural (N=61)		Urban (N=56)		Total (N=117)		Z-value
	No.	%age	No.	%age	No.	%age	
a) Quick decision	21	34.43	31	55.36	52	44.44	2.20**
b) Unbiased judgement	23	37.70	18	32.14	41	35.04	0.63
c) Adequate compensation	24	39.34	23	41.07	47	40.17	0.19
d) Cooperative attitude	12	19.67	6	10.71	18	15.38	1.34
e) Value addition	3	4.92	4	7.14	7	5.98	0.51

VI Reasons for Dissatisfaction

Some respondents expressed dissatisfaction with the judgement of Consumer

Dispute Redressal Forum due to many reasons. The higher proportion i.e. 57.58 per cent of total respondents total that they were dissatisfied with the judgement due to delayed judgement, biased judgement and inadequate compensation of damage, followed by unfavorable decision or decision in favor of the marketer (42.42%) and non-cooperative attitude of Consumer Dispute Redressal Forum personnel (30.3%). As much 15.15 per cent reported that they were dissatisfied with the judgement due to inadequate information about the judgement and reluctance on part of CDRFs.

Region-wise pattern of reasons depicted some what different pattern. The most dissatisfying factor came to delayed judgement in case of rural respondents (78.57%) while it was inadequate compensation in case of urban respondents (63.16%). The least dissatisfying factor was inadequate information about judgement among rural respondents while it was reluctance on part of Consumer Dispute Redressal Forum among urban respondents. Even significantly higher proportion of rural respondents expressed dissatisfaction due to delayed judgement than that of urban respondents as conveyed by the z-value of 2.10**. All other z-value was non-significant indicating almost similar extent of dissatisfaction due to other reasons. Higher proportion of rural complainants (64.29%) was dissatisfied than urban complainants (52.63%) due to biased judgement passed by the Consumer Dispute Redressal Forum (CDRFs).

Overall delayed judgement, biased judgement and inadequate compensation emerged as the major reasons of dissatisfaction among consumers over the judgement of Consumer Dispute Redressal Forum (CDRFs). In order to cultivate full confidence in consumers about Consumer Dispute Redressal Machinery, it can be suggested that judgement should be quick and fair and amount of compensation must equate the cost of damage as suffered by complainants.

Table 6: Reasons for dissatisfaction with judgement of Consumer Dispute Redressal Forum

Reasons	(Multiple Response)						
	Rural (N=14)		Urban (N=19)		Total (N=33)		Z- value
	No.	%age	No.	%age	No.	%age	
a) Delayed judgement	11	78.57	8	42.11	19	57.58	2.10**
b) Biased judgement	9	64.29	10	52.63	19	57.58	0.67
c) Inadequate compensation	7	50.00	12	63.16	19	57.58	0.76
d) Inadequate information	2	14.29	3	15.79	5	15.15	0.12
e) Non cooperative Attitude	4	28.57	6	31.58	10	30.30	0.19
f) Unfavorable Decision	6	42.86	8	42.11	14	42.42	0.04
g) Reluctance on part of CDRF	3	21.43	2	10.53	5	15.15	0.86

VII Factors Affecting Satisfaction of Complainants

Table 7: Factor affecting probability of satisfaction of complainants

Factors	(Multiple Logistic Regression)					
	Rural (N=75)		Urban (N=75)		Total (N=150)	
	β	t-value	β	t-value	β	t-value
Constant	-0.2613		-0.3152		-0.2833	
Age	0.1368	1.53	0.0987	0.98	0.1058	1.28
Education	-0.3152	2.47**	-0.4437	3.18***	-0.3664	2.79***
Rural/Urban					0.0567	0.81
Occupation						
Business	-0.0456	1.55	-0.1443	2.13**	-0.0963	1.64
Service	0.2962	3.18***	0.3718	2.92***	0.3287	3.04***
Non-Working	0.0157	1.32	0.0871	0.63	0.0467	0.87
Nature of Complaints						
Financial	-0.1967	2.27**	-0.2871	3.58***	-0.2372	2.62***
Public Utility Services	0.0589	0.67	-0.1189	1.98**	-0.0362	1.23
Transport	0.0247	1.57	0.0897	1.16	0.0523	1.41
Consumer Goods	0.3478	3.67***	0.4687	4.28***	0.4128	3.97***
Education	0.1258	1.64	-0.2368	2.51**	-0.1866	2.43**
Medical Services	-0.2168	2.38**	-0.1167	1.61	-0.1628	1.84
Helping Person						

Advocate	0.3047	3.09***	0.3754	2.98***	0.3413	4.21***
Friends/Relatives	-0.0987	1.69	0.1427	1.59	0.0897	1.41
VCOs	0.2792	2.45**	0.1151	1.48	0.2912	2.21**
Self	0.0254	1.16	0.0574	0.78	0.0371	0.98
Outcome of Litigation						
Replacement of Goods/Services	0.5897	4.38***	0.4663	3.87***	0.5224	4.18***
Repair of Goods/Services	0.1254	1.27	-0.1164	2.44**	0.1108	1.56
Compensation	-0.1822	2.37**	-0.2162	1.89	-0.1907	2.41**
Time Taken to Redress Complaint	-0.1167	1.46	0.1352	1.82	0.0745	1.66
R-square	0.5722		0.6254		0.6987	

The factors of satisfaction of complainants with the judgement of the Consumer Dispute Redressal Forum were identified through multiple logistic regression analysis. The explaining factors included education of the complainant, age of the complainant, occupation, nature of complaint, helping person and outcome of litigation.

Total Respondents

In case of pooled analysis, the coefficient of multiple determination came to be 0.6987 which indicated that 69.87 per cent of the variation in satisfaction among respondents was explained by the independent variables included in the equation. The significantly negative coefficient of education indicated that the complaints with higher level of education were more dissatisfied as compared to the lower level of education. This showed that complainants with higher education always expect more than what is achieved as they have the better understanding of procedure of achievement. The complainants doing service were more satisfied there businessmen and non-working complainants. Finance and education related complaints caused dissatisfaction among respondents while consumer goods related complaints increased the probability of satisfaction over judgement of CDRF. This showed that the redressal of finance and education related complaints are more complicated while there are replacements and repairs in case of

consumer goods.

The complainants were more satisfied with the judgement if they hired an advocate or taken help of voluntary consumer organizations as compared to other helping persons like friends / relatives and self. Advocates and VCO's are better pleaders of their clients than other persons. If there was a judgement for replacement of goods and services then the complainants were more satisfied, but in case of judgement of compensation the complainant's level of satisfaction declined. This may be due to the inadequate compensation of damage.

Rural Respondents

As much as 57.22 per cent of the variation in the satisfaction level of rural respondents was explained by the independent variables included in the regression equation. The impact of education on satisfaction was inverse while that of service occupation was positive. The finance and medical services related complaints caused dissatisfaction while consumer goods related complaints brought satisfaction among rural respondents. The help taken from advocate and VCOs added to the satisfaction of rural respondents. The judgement favoring replacement of goods/services increased satisfaction while the decision of compensation caused decline in the level of satisfaction among rural respondents.

Urban Respondents

The coefficient of multiple determination came to be 0.6254, which indicated that 62.54 per cent of the variation in satisfaction level of urban respondents was explained by the explanatory variables included in the equation. The urban respondents with high educational level and doing business were less satisfied while those doing service were more satisfied as compared to their counterparts. The finance, public utility and education related complaints caused dissatisfaction while consumer goods related complaints resulted in satisfaction over judgement among urban respondents. Hiring of an advocate exerted positive impact on satisfaction. The judgement asking replacement of goods/services showed positive impact while the judgement asking repair of goods/services exerted inverse impact on satisfaction among urban respondents.

Therefore, the education, finance/education/medical services related complaints, judgement of repair or compensation came to be the adversely affecting factors of satisfaction, while service, consumer goods related complaints, help of an

advocate/VCO and judgement for replacement of goods/services emerged as the positive contribution towards satisfaction of complainants regarding outcome of the proceedings of litigation in CDRF. This highlighted the need of giving favourable judgement in finance, education and medical services related complaints and providing adequate compensation to the consumers. The advocates may help effectively in this regards by curtailing their fee structure as several consumers expressed their inability to hire an advocate. The role of VCOs is applaudable. Frequent decisions of replacement of damaged goods/services should be made.

Advocates emerged as the major source of assistance to plead the case of CDRF. The outcome of the litigation in Consumer Dispute Redressal Forum was directly related with the measures adopted by respondents before appreciating the CDRF. The direction of time in setting the complaints was higher in case of rural complaints as compared to the urban ones. Majority of the complainants were satisfied with the judgement of the CDRF. The disgruntled complainants preferred to remain salient. Therefore, it can be concluded that the complainants are generally satisfied with the consumer grievances mechanism in Consumer Dispute Redressal Forum but disappointed with the behavior of the marketers.

Conclusion:

To enhance the satisfaction level of consumers, following steps need to be taken into consideration:

- Enforcement machinery should work on simplifying procedure of redressal of consumer's complaint and redressal process should be less technical in nature so that problem of delayed judgement can be dealt with.
- Biased judgment was also an important reason of dissatisfaction amongst complainants so efforts should be made to keep execution committee independent.
- Consumer protection laws should be made a part of curriculum so that consumer can be educated about his/her rights, responsibilities and consumer dispute redressal process.
- Real protection of consumers can be successfully achieved only with active involvement of consumers. It is therefore, not only important for consumers to know their rights, but also to shoulder the responsibilities and exercise them to their advantage.

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