

Book review of ‘Consumer Affairs and Customer Care’

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‘Consumer Affairs and Customer Care’

By Sri Ram Khanna and Savita Hanspal

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1. Introduction

In the history of socio-economic legislations in India, the *Consumer Protection Act, 1986* has been momentous. The act was designed to make it consumer friendly by addressing major issues associated with conventional court litigation- time, cost, procedure and technicalities involved. The act did lead to strengthening of the consumer movement to a great extent. However, with the aftermath of market dominated economy, global supply chains and significant expansion of electronic commerce the challenges too have been

manifold. Consumer Law Jurisprudence has surely taken a giant leap in the last few decades. The goods and services on offer in the modern-day markets is unprecedented. In response to the changing market dynamics, the new *Consumer Protection Act, 2019* came up. I recently came across the book *Consumer Affairs and Customer Care* authored by *Prof. Sri Ram Khanna and Savita Hanspal*. After going through this book I thought of sharing my reviews with the interested readers. I will reserve myself from too much detailing of the book and will leave it for the readers to uncover themselves.

The book examines the enormous changes in the Indian consumer markets especially post economic reforms. It provides in-depth insights into consumer jurisprudence focusing on the social, economic and legal framework. Running into 459 pages the book is divided into ten engrossing chapters systematically presenting the aspects of consumer, market, consumer's rights and regulatory infrastructure The Foreword written by *Prof. Ajay Kumar Singh, Former Vice Chancellor Sri Sri University, Cuttack, Odisha* adds more weight to the book.

2. Chapter 1: -this chapter covers the shades of changing consumer landscape post the economic liberalization of 1991 and the emergence of noteworthy new Indian middle class. The authors have presented relatable examples as to telecom, automobiles, air travel, and financial markets etc. to illustrate the unprecedented changes since 1991. The authors have drawn reader's attention to the marching of families below the poverty line higher up in the ladder with rising income. This changing shape from '*pyramid to diamond*' is well taken. The qualitative changes as to Lifestyle upgradation, Nutrition, rising personal consumption etc. too have been satisfactorily exemplified.

One good manner of understanding consumer issues is to look at the basis of *market segmentation* by business houses. Primarily, family income had been the '*go to*' variable. The authors have referred to the Market Research Society of India (MRSI) initiative of classifying urban household into two variables- chief earner's educational level and occupation of chief earner. For the rural households, the variable was the material used in dwelling –*Kuchha/ Pucca* house. This is a very interesting read on the Social Economic Classification (SEC) of Indian market with relevant variables presented in Tables 1.7

Urban SEC and 1.8 Rural SEC (Pg. 41-52) The consumer durables owned by the family as a variable in the new SEC surely gives good ground to the classification.

3. Chapter 2 titled ‘Consumers and Markets: Introduction’: - this chapter covers various kinds of consumers and consumer markets. The consumer expectations and behavior depending on various factors-age, gender, income, education and family structure-bachelors, newlyweds, married with pre-school children, single, divorcees etc. is engagingly portrayed. The newly coined- *Ethical or sustainable consumer* also finds place in this chapter.

4. Chapter 3 titled “Consumer Dissatisfaction and Complaining Behavior”: - in this chapter the authors have rightly emphasized consumer buying process and the purchase decision influencers. The urban and rural consumer’s pre and post buying behavior has been interestingly presented. They have also scripted the differences in buying behavior process between the high price one-time purchase items and the purchase of fast-moving consumer goods. On account of poor literacy levels, the rural consumers are the soft targets for unscrupulous players in the market. Figure 3.2 (Pg. 87) deserve special mention in the sense that it highlights the issue of counterfeit products. The authors have also pushed the case for *Love and care for consumers* being the new norm for business houses and better value proposition by adopting global best practices.

One aspect which the book seems to have completely missed is the increasing use of social media portals by disgruntled consumers. In the digital age, the companies have been strategically making use of online platforms to position their products. However, the consumers have now turned the tables using the very platform by escalating the complaints on these portals which generate immediate attention.

5. Chapter 4 apart from discussing the basic concepts- the next chapter talks about the basic concepts like Consumer, Goods, Services etc. brings to light many new changes brought about by *Consumer Protection Act, 2019* However with regards to these changes, I shall restrict myself on two major areas, Mediation and Product Liability. The authors have referred to the Chapter V of the new legislation which provides for setting up of mediation centers in consumer courts. Surprisingly, the authors haven’t talked about the flip side of mediation which needs due attention. If one party isn’t cooperative and

receptive to a common ground the mediation may fail miserably. While mediation is an inexpensive process, a failed mediation will lead to further loss of time and money.

6. The next chapter talks about Product Liability- refers to the *consumption accident* that results from defects in a product. The book chooses to remain silent of relevant examples from many sectors relevant to product liability- pharmaceuticals, personal care products, domestic appliances, and many others. With respect to many other far-reaching changes being brought about in the new act, the book only gives a passing reference and doesn't give enough insights on issues of unfair terms of contracts, electronic commerce, Central Consumer Protection Authority, aspects of celebrity endorser's liability, etc. With the enhancing of the pecuniary jurisdictions in the new legislation the flooding of complaints at the District commissions looks imaginable. A text on the implementation bottlenecks- vacancies in office of President, Members and staff, infrastructure issues, etc. would have come handy for the readers as well.

7. The chapter 6 talks about The Organizational set up under Consumer Protection Act- this chapter deals with the organizational set up under Consumer Protection Act and Role of Supreme Court of India in consumer protection forms part of Chapter 6. As regards the membership eligibility in the adjudicatory body the act provides for people from non-law streams too- public administration, commerce, management, engineering, technology, finance etc. The readers would have been interested to know the views of the authors as to the role of lay adjudicators in the decision-making process and the rationale of a mixed composition of the adjudicatory bodies.

The landmark judgements—*Lamxi Engineering Works case* (interpretation of definition of consumer), *Vishwabharthi House Building Coop society case* (Constitutionality of the orders of consumer forums), *Indian Medical Association v. VP Shantha case* (inclusion of medicine as service), *Lucknow Development Authority case* (statutory housing authorities-housing construction as service), *C Venkatachalam's case* (non-advocate as authorized agent) and *Anjum Hussain's case* (class action suits) deserve special mention in the literature.

8. The chapter 7 is titled *Caveat Venditor: Grievance Redressal Mechanism under the CPA*: - As Leading cases from seven major sectors of the industry-real estate, educational

service, airlines and civil aviation, (to name a few) makes this chapter very noteworthy as well. The travel and tourism industry too accounts for a good number of consumer issues but fails to find a deserved mention in the text.

9. The Chapter 9 titled *Role of Sectoral Regulators in Consumer Protection*: - The most fascinating chapter in the book is chapter 9 titled “*Role of Sectoral Regulators in Consumer Protection*”. The Central government in its wisdom felt that it is important to have sector specific regulators and resultantly, various independent sectoral regulators have come in. The role of major industry regulators in insurance, telecom, banking, civil aviation, food safety, electricity and the real estate finds good space in the book. The authors have traced the background, features and the role of specific regulators- Insurance Ombudsman, Banking Ombudsman, Electricity Ombudsman, Director General of Civil Aviation, to name a few. As regards the Case Study on Maggi Noodles, the other side of the coin (Pg. 395) well reflects the existing shortcomings of food safety regulatory framework. A detailed account has also been given on the issues of parallel jurisdictions too, for e.g. in case of consumer Courts, *Real Estate (Regulation and Development) Act, 2016* and *Insolvency and Bankruptcy Code, 2016*.

10. The Chapter 10 major provisions of the *Competition Act, 2002*: - The authors have also touched upon the competition law and the major provisions of the *Competition Act, 2002*. It is imperative to have a text on Competition law as well in any book devoted to consumer law. This is because the objectives of both the *Consumer Protection Act, 2019* and the *Competition Act, 2002* is to protect of interest of consumers. The consumer protection act deals with the relationship vertically between a manufacturer or producer and consumer (B2C), the competition act deals with relationship horizontally between manufacturers and producers. (B2B)

11. Conclusive remarks: -

The authors have given a very enriching socio-economic framework of consumer rights. However, on the legal side, the book falls little short. The authors possibly have overestimated the legal quotient of the readers. The book does present the substantive law well, but leaves good room for procedural aspects of consumer law. An inclusion of a sample- consumer complaint, application for condonation of delays, and a step by step

guide for filing a consumer complaint would have been great addition for the benefit of layman. The book does talk on Computerization and Computer Networking of Consumer Forums in the Country (*Confonet*) but doesn't appraise readers much on the *Online filing of consumer complaints*.

Overall, I feel the authors have taken great pain in coming up with this noteworthy literature and deserve accolades. The principal author has witnessed the inclusion of consumer protection in government policy and administration in 1980 from close quarters. He has played a very active role in coming up of Consumer Protection Act, 1986 and the new 2019 legislation itself. The literature beautifully sketches the consumer movement in India and the quality standardization aspect as well. This book provides an elaborative view of all the developments that have taken place in this area since last 4 decades.

The book *Consumer Affairs and Customer Care* is one of its kind on consumer jurisprudence. The best part of this book is that it weaves in both the *text* and the *context* in a lucid and comprehensive style. It ventures into the overall gamut of business environment, consumer psychology and the economics of his buying behavior as well. All the sources have been properly authenticated. The list of tables and figures provided in the book give it a very realistic picture and makes it an interesting read. This book surely addresses the needs of students, teachers, researchers, policy makers and anyone interested in consumer empowerment.