

**CONCEPTUAL ANALYSIS OF CONSUMER EXPLOITATION IN ORGANISED RETAILING****Dr.C.PARAMASIVAN,Ph.D. Assistant Professor of Commerce****Periyar E.V.R.College (Autonomous)****Tiruchirappalli, Tamil Nadu****ABSTRACT**

Consumers must be protected from the sellers whose interests are not identical. Consumers are typically weak in bargaining position because of the disparity in knowledge and resources that narrow the consumer's access to a remedy (Cheena Gambir) . The major hindrance of consumer protection is that the consumer is unorganised in our country. Consumers need to be protected and made aware of their rights and the ways and means of exploitation they come across in their life and its effect on individual and the country. In this regard the present study focuses on consumer exploitation in organised retailing in Tamil Nadu with the help of descriptive analyses.

**KEY WORDS:** Retail Industries, Consumer Protection, Consumer Exploitation, organised retailing

**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.

**SIGNIFICANCE OF THE STUDY**

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 labelling, 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 organised retail sector.

## REVIEW OF LITERATURE

The review of related literature helps the researcher gain a thorough knowledge about the area of the study and enables him to get a clear picture of the various aspects of the study. Various studies carried out elsewhere by other researchers on the related aspects could also be reviewed and the researcher could understand the various dimensions of the particular study undertaken. It would also help in filling the gap in a particular research area and would help the researcher to explore the possibilities of further research on the related aspects of the subject of study.

**Sahu (1981)** His article explains that consumerism concerns the entire society, as everybody is a consumer of some kind or the other of goods/services. According to him, the problems of consumers in India are over charge, under weight, adulteration, imitation, defective packing and bad services by fraudulent, deceptive, unethical and unscrupulous businessmen.

**Gupta and Lodha (1976)** highlight on Consumer protection and the need for the stringent measures, state that the consumer sovereignty has remained a Utopia and consumers all over the world have grossly suffered at the hands of businessmen in one form or the other.

**Nidhi Gupta and Priti Panchal (2009)** have pointed out that three types of adulterations are practised in India (i.e) Intentional adulteration, Metallic contamination and adulterants. It is suggested that the low income group people need more training on the issues of food adulteration and the ways to raise their voice when they felt cheated.

**Yallawwa Uppar and Sumangala (2009)** observed that majority of the respondents in Dharwad city had poor knowledge about consumer protection Act, Consumer Forum, consumer rights and responsibilities in Dharwad city the rural consumers are being exploited owing to lack of awareness about their rights and responsibilities.

**Satendra Bhardwaj et al., (2011)** have focused on the Consumers' Perception of towards Shopping mall. It is found out in the study that when the consumers think about Shopping Mall, they think about price. It is suggested that the management of Big Bazaar can improve their understanding of the role and capabilities of advertising to improve customer relation and enhance loyalty.

**Suryanarayana (2007)** According to him loyalty being an important strategy for marketers, it is worth analyzing how retailers retain consumers and ensure that they come back after establishing retail equity. Loyal consumers significantly enhance the profitability. Price, quick and free home delivery may be an attractive service for consumers. Some of the guidelines given by him to retain loyalty among the consumers may help retailers deal better with manufacturers, especially when brand differentiation becomes small.

**Ravi Prakash and Rathnakar (2007)** have revealed that Modernization of retailing in India would be influenced by some important factors like Economic development, improvements in civic situation, changes in consumer needs, attitudes and behavior and changes in government policies, It is suggested that Firms will need to proactively review their sales structures, brand activities, logistics policy and price structure to cope with pressures from powerful retailers.

**Hemalatha et al., (2010)** This study gives an idea about a wide variety of reasons why people go shopping, The most important factor for visiting malls is social idea shopping, role shopping, adventure shopping and value shopping, gratification shopping

**Ajit Kumar Bansal (2012)** The study focused on consumer perception on purchase of products from big shopping malls in Chandigarh. Majority of the respondents have been aware of the shopping malls. They are influenced to visit the shopping malls owing to the availability of different brands.

**Debajani Sahoo and Hari Govind Mishra (2008)** They focused on the growth of Wal- Mart in India in 2002. The retail industry in India heralded its advent into the world scene with listings on India's stock exchanges. With 8% GDP growth, rising income and consumption patterns, the retail story in India is just beginning. .

**Poornima Srikrishna (2008)** highlighted that the, "Customer is the focal point of every business." The very existence of business depends on customer satisfaction. A sound product and a competitive price are a must to please the customer but definitely not the only parameter that results in customer satisfaction"

**Anu Singh Lather and Tripat Kaur (2006)** The study identifies nine key indicators such as, product offering physical characteristics of the store, store personnel, location convenience, general characteristics of the store prices charged by the store customer's services, advertising by the store and popularity of the store that influenced the total mall experiences.

**Venkataeshwarlu and Ranjani (2007)** have focused on the impact of malls on small retail outlet and the impact of small retail outlets on malls. The small retailers enjoy the customers' loyalty by offering sales on credit and also by having their outlets very near to the customer's residence. 54% of the big retail outlet believes that there is no impact of such small retail outlet on their basis.

**Piyush Kumar Sinha et al., (2012)** have shown the development and growth of modern retailing in India in different segments has been due to different factors. The modern retailers would like to make substantial savings though efficacy and pass this benefit to producers and end consumers.

**Dineshkumar and Vikkraman (2012)** the study concludes that customers prefer to purchase from organised retail outlets to unorganised outlets. The study also reveals that the customers prefer organised retailing to unorganised retailing, because of which the organised retailing becomes a threat to the unorganised outlets.

#### **ISSUES IN CONSUMER EXPLOITATION IN ORGAINISED RETAILING**

Indian retail industry is one of the fastest growing industries in India. Indian Retail Industry has grown from US\$330 billion in 2007 to US\$640 billion by 2015. The retail sector is one of the fastest growing sectors in India, having the world's second largest place in consumer market. Retailing has the major business activities in India and leading sources of employment generation in India. Owing to extreme change in the behavior, taste and preferences of the consumer, coupled with growing economy, earning capacity, less time and fast track life a major challenge emerges in the retail sector of India. Indian retail sector is mainly divided into two parts namely unorganised and organised retail. Organised retail has limited market share in comparison with unorganised retail sector. Recently Indian Government allowed FDI in single brand retailing and multi brand retail which comprises challenges for retail industry. In India also there is a variety of retail format growing from Department store to Discount stores, to Supermarkets to Hypermarket, to Specialty stores to Malls. Currently, organised retailing accounts for only around 7 percent of India's total retail market size, while the remaining constitutes of the unorganised sector. When comparing this ratio with other emerging nations such as Brazil (35 percent), Russia (30 percent) and China (20-25 percent), organised retailing in India clearly appears under-penetrated.

In this juncture, the competition arises among the producers /manufacturers to sell their product and to earn huge profit. This has led some of them to concentrate on product quality and many of them try to improve their profitability. The company may go in for profit process, which may adversely affect the environment and the ecology and in turn it affects the consumer. Before 1991, in India the manufacturer targeted mainly the cities, metros and semi- urban areas. The rural market, which was once ignored by the International market player, is now seen as a land of great business opportunity.

The disposable income of Indian people increases, more corporate sectors entering in rural India. India is a country where a reasonable number of people are living below poverty. Low literacy level, and high unemployment lead to consumer unawareness of their rights. Many laws were passed to protect the interest of consumers in India. But the consumers are either unaware of their rights or those who are aware, avoid the legal action against the producers and traders because of the fear of complicated and time consuming judicial procedures.

The need for consumer protection arises in our country. Most of the Indian consumers are accepting anything, which is sold at low prices. These consumers are illiterates. They are unable to read the contents, date, price, quantity etc. Hence, they blindly believe the information provided by the supplier. The educated consumer too falls a prey for consumer exploitation because of lack of time. They consume the product without proper verification of date, price, quantity and contents on each purchase. This ignorance has given chance to many traders to cheat the consumer. In India the traders, producers and the manufacturers are organised, but the consumers are unorganised. Only a few organizations emerge to raise voice against exploitation and unfair trade practices. Consumer exploitation affects the basic economy of the country. Consumer exploitation leads to impartial division of resources and it creates regional imbalances. Consumer exploitation reduces the real income and causes misallocates of resources by way of fraud, shoddy merchandise and deceptive practices. It also inflicts violence on consumer by way of hazardous products, unprovoked services or environmental pollutants.

## CONCLUSION

The Technological advancement in retail industry creates avenue for the manufacturers to produce thousands of variety of products with unique style, design and fabulous colour that helps the producer to build the market to attract the consumer. As the purchasing behaviours of Indian consumer are not healthy, they find it difficult to judge the quality of the product purchased. To create awareness about consumer rights, responsibilities and the working mechanism, a few organizations are started for their betterment and to impart consumer education. In the desire to get high profit within a short span, the retailers sell, the dangerous consumer product and the hasty consumers become the victims of the diseases, which may prove fatal to their health or lives. The consumer faces numerous exploitations in product, price, promotion, people etc.

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