

THE AWARE CONSUMER

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RESEARCH FEATURE

Rise Of The
Indian Consumer

HORIZONS

Move Afoot
To Rein In
Influencer
Marketing

MODERNIZING CONSUMER PROTECTION

A hand is shown from the bottom left, cupping a globe. The globe is composed of a grid of many small, square portraits of people from various ethnicities and backgrounds, representing global diversity. The background is a dark blue with some light blue bokeh effects.

IN FOCUS

Consumers Find A
Sympathetic Ear

PLUS

ROUND UP • MY MARKET • THE PRESCRIPTION



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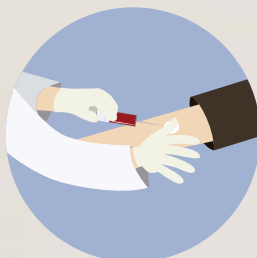
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MC-XXXX



QUALITY IN PATIENT CARE



BEJON KUMAR MISRA | bejonmisra@theawareconsumer.in

Consumer Protection GOES DIGITAL

2019 WILL GO down in the annals of India's consumer history as a landmark year. This is the year when on 6 August 2019 the Parliament of India passed the Consumer Protection Bill, 2019. Subsequently, on 9 August 2019, the Consumer Protection Act, 2019 received the assent of the President of India and was published in the official gazette. Thereafter, it was notified by the Central Government. The New Act finally repeals the decades old Consumer Protection Act, 1986, after two attempts made in the last four years.

In the past decade, the entire commerce and business landscape has undergone disruptive changes brought about by innovative technologies. From the way goods and services are bought and sold to the mode of payment, all received a digital metamorphosis. If consumers are online, retailers are also out there with digital advertisements to capture their attention and influence purchase decision.

In this changed scenario, the old Act was woefully inadequate to tackle the newer consumer issues. Consumers of the digital world needed safeguards for transactions online. They needed protection from misleading advertisements and fly by night e-commerce operators. These emerging challenges have made the Indian consumer even more vulnerable than earlier.

The new Act 2019 comes at this crucial juncture. It is a timely intervention when consumers are struggling to understand the new reality of the digital marketplace and provides them with the much-needed protective cover.

By widening the definition of the consumer, the new Act legally recognizes the online consumer, addressing an important lacuna in the old Act. The new consumer is any person who buys any goods, whether through offline or online transactions, electronic means, teleshopping, direct selling or multi-level marketing.

The new age consumer looks for convenience and flexibility. The new Act recognizes their need and introduces the provision of digital filing of consumer complaints to enable quick redressal.

The Consumer Protection Act, 2019 seeks to modernize consumer protection through its various provisions and ensure that the laws do not fail the digital age consumer. However, a lot depends on the implementation of the Act in letter and spirit. Still, it is undeniably a giant step in the right direction.

The Act proposes establishment of a central regulator, Central Consumer Protection Authority (CCPA), to address issues related to consumer rights, unfair trade practices, misleading advertisements and impose penalties for selling faulty and fake products.

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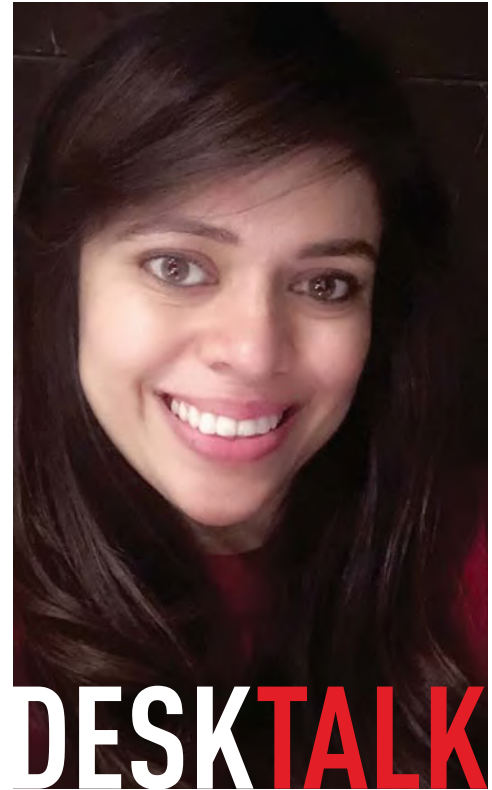
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Message from the Editor-in-Chief

POOJA KHAITAN

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A Quiet CONSUMER REVOLUTION



THERE APPEARS TO be a quiet revolution underway in consumer India. While the Consumer Protection Act, 2019 seeks to broaden and modernize the scope of consumer grievance redressal and empower the consumer by recognizing their new age digital avatar; Indian consumers across the country have been coming forward to take on dubious commercial establishments and winning the battles too. What has changed in the past few years to embolden consumer India?

Much credit can be given to the rising consumer awareness brought on by the internet. The new age consumer is a knowledge seeker. Before making any purchase decision, consumers today engage in extensive research online. This consumer knows their rights and does not hesitate to exercise it. Take for instance the case of retailers charging for carry bags. Since the ban on plastic bags, many retailers big and small have made it a side business to force customers to pay for cloth or non-plastic bags. Many of us, though grumbling at the injustice of this forced additional cost per purchase, have been silently suffering it. It took one aware consumer to question the practice and get a ruling in the favor of all.

Consumer awareness is definitely on the rise and the new Act is expected to embolden the consumers further. The Consumer Protection Act, 2019 fixes several lacunae while expanding the ambit of the law to include newer consumer issues. One particular provision that was much needed was penalties for misleading advertisement. For example, celebrity endorsement of fairness creams. In India with its fetish for white skin, many women and now men (with Bollywood actors promoting fairness creams exclusively for men), have fallen prey to it. Skin whitening or lightening cream is big business in the country. But do they even work? Yet celebrities are endorsing from cough syrups to real estate and what not. Add to this the new breed of rising social media influencers who work subtly to influence consumer choice.

If not a blanket ban on misleading celebrity endorsement, at least this provision should act as a deterrent and save many gullible consumers financial losses and mental trauma.

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UNLOCKING CONSUMER POTENTIAL
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RISE OF THE INDIAN CONSUMER



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Union Minister for
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Rising consumer awareness in the digital age has made the ordinary consumers aware of their right to quality services and ways to reach out for redressal in case they don't receive it



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OUT OF THE BOX

INDIAN RETAIL MARKET ... GROWING, BUT NEED FOR CONSUMER TRUST



While companies must enlist newer technologies for competitive advantage and to cater to the digital consumer, digitalization has made the consumer concerned about their data privacy. Consumer trust is hence critical to a business' growth



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IN FOCUS

CONSUMERS FIND A SYMPATHETIC EAR

Consumer complaints are on the rise as consumers become more aware of their rights and about the authorities that can help them get justice

RAM VILAS PASWAN

UNION MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION, GOVERNMENT OF INDIA

"We see many a time a consumer orders a phone online and receives a cake of brick or stones in the packet. We have taken cognizance of that. We will frame a strict law to heavily penalise such activities. Traditionally, consumer protection has focused largely on offline transactions, but now e-commerce is getting popular. We will deal with such matters very sternly."



ROUNDUP



Pessimism Sets In, Consumer Confidence At Its Lowest

The RBI's monetary policy released recently states consumer confidence dropped to a six-years low in PM Modi's tenure. The Current Situation Index (CCI) reached 89.4 in the September 2019 round of the survey

DATA BRIEFING

19744.38

INR Billion –
Consumer
spending in
India in the
second
quarter of
2019 down
from
21111.41
INR Billion
in the first
quarter of
2019

IMAGE: PIXABAY



Where Are The Happy Consumers?

DESPITE THE FESTIVE season around, it seemed the Indian consumer had reined their animal shopping spirit. According to RBI's monetary policy released recently, the consumer confidence dropped to a six-years low in September 2019. The Current Situation Index (CCI) reached 89.4 in the September 2019 round of the survey. This is the lowest the index has ever reached in the incumbent Modi government's rule. Back in September 2013, the Current Situation Index had reached 88 during the UPA-2 rule.

The Reserve Bank of India (RBI) conducts the Consumer Confidence survey in major cities of India with over 5,000 respondents. It measures consumer perception (current and future) on five economic variables – economic situation, employment, the price level, income and spending.

The Consumer Confidence survey works with two main indices – current situation index and future expectations index. While the current situation index measures the change in consumer perception over an economic issue in the last one year, the future expectations index measures what consumer thinks about the same variables, one year ahead.

If the consumer confidence Index is above 100 it indicates optimistic perception of the consumers.

The consumer perception about employment and economic situation had worsened in September. However, before the Modi government came to power, Consumer Confidence was in pessimism. It returned to optimism with the election of the BJP government and in September 2014 round, the Consumer Confidence Index was high at 103.1. The optimism stayed till December 2016 (102) round and then it went low to pessimism level on the heels of demonetization announced in November 2016.

Following demonetization, the consumer confidence remained in the 'zone of pessimism', i.e., below 100 for two-and-a-half years. It took around 30 months, for the consumer confidence to bounce back to optimism. It happened right before the 2019 Lok Sabha elections.

The consumer confidence reached 104.6 in March 2019 and crossed the 100 mark for the first time after the December 2016 round. However, from all indications this jump was transitory and in the subsequent rounds post the Lok Sabha elections, the consumer confidence index went on a free fall.

The CCI dipped to 97.3 in the May 2019 round and in July it went lower to 95.7. At 89.4 in September round, the CCI is even lower than what it remained on an average in the post demonetization era.

Not just the CC index, the future expectations of the consumers have also worsened in the September round, reveals the monetary policy document. The future expectations index was 124.8 in July 2019 but has dipped to 118 in September.

The report indicates an ebbing of sentiments on the general economic situation and the employment scenario. ▶

Affluent Indian households, a young population and improved retail penetration are among the drivers of growth

INDIA IS THE dream market for any retailer. But for Unilever, India could become the largest market driven by affluent Indian households, a young population, and improved retail penetration pushing consumption. HUL is the local unit of the Anglo-Dutch company.

Media reports quoted Sanjiv Mehta, chairman and managing director of Hindustan Unilever Ltd (HUL) as saying that for Unilever, India is the largest market in volume terms and the second largest in value terms. Mehta also sees India becoming the largest market for Unilever in the world.

The reason for this optimism is India's changing consumption pattern. More and more low-income households are pushing through their circumstances and moving up the income ladder. This new category of consumers is fueling consumption of products ranging from soaps to packaged foods. Unilever counts this rising affluence of the Indians as the key to its growth.

However, Indian consumers are still value driven and a large number of households prefer to spend on low-priced products such as the mini sachets and small packs like the ₹5-10 packets of biscuits and sachets of shampoos.

According to Mehta, "The big inflection point happens when a large chunk of people move from the bottom of the pyramid to the lower middle class and from the middle class to the upper end of the middle class. Today one in four...could be termed as upper middle class and above but by 2030 we clearly see one in two being in that area," reports quoted.

Interestingly, India is also a large general trade market that is to say most Indian households still depend on local stores for their daily provisions.

India On The Path To Become Unilever's Largest Market



IMAGE: PIXABAY

India: Dream market for retail

According to Mehta, there are 10 million stores in India and 100 million people whose foods dependent on kirana or neighborhood stores.

For any retailer aiming to succeed in the Indian market, they can ill afford to ignore this segment.

Mehta says, today there is technology that allows them to connect to this section of consumers and to bring the science of retail to them.

As regards HUL, for the past few years it has been using technology to harness data for better predicting, capturing, and fulfilling consumer demand.

Some notable initiatives by HUL in this direction include programs such as 'Humarashop', an e-commerce platform that helps neighborhood kirana stores sell their products online.

HUL, the manufacturer of Lux soaps and Kissan jams and ketchup, is India's largest packaged consumer

goods firm. For the year ended 31 March, HUL generated sales of ₹38,224 crore.

Mehta's comments are a reiteration of former Unilever chief executive Paul Polman's comments on the Indian market. In 2017, Polman too had noted that India could well become the company's largest market. Polman, however, had not specified by when he expected this to come true.

It is surprising that the retail giant has chosen to make such optimistic observations about the India market when the consumer confidence is at an all-time low, as Indian households have tightened their purse strings, shying from splurging on anything – from cars to biscuits. India currently faces a general slump in demand. The slowing down of demand has hurt packaged consumer goods makers.

HUL too has said that it has not seen an uptick in demand.

According to media reports, for the September quarter, HUL's revenue rose 6.7% to ₹9,852 crore from a year earlier. Sales volume rose just 5% in the period as demand cooled, especially in rural India.

Mehta noted that on an overall market basis, the slowdown can be seen more in rural areas than in urban. Earlier, in the last four-five years, at the time when the economy was vibrant, rural growth was reported to be 1-1.5 times of the urban. Now it has come down to half of the urban growth, he said.

HUL has posted a resilient performance despite the fact that the Indian economy is facing a slowdown and GDP forecasts have been revised downward. ▶

Car data is a valuable source of information, but it is not the vehicle owner who has its ownership

AAPEX 2019



To Advocate For Consumer Access And Control Of Vehicle Data

Time consumers owned their car data

EVERY TIME A driver gets behind the wheel of a car, valuable data is generated and collected. From driving behavior, vehicle health and GPS location to maintenance and repair data, cars with telematic technologies enable real-time wireless transmission of this data straight to vehicle manufacturers. Who owns the data?

Not the vehicle owner, which might surprise many consumers.

This data monopoly could cost consumers money as car data is important for maintenance and repair. It could restrict where consumers take their cars for service, resulting in more expensive and less convenient options.

AAPEX, which represents the \$1 trillion global automotive aftermarket industry, is advocating for consumers to have access to and control of their car data during the 2019 event being held in early November at the Sands Expo, Las Vegas.

The *Your Car. Your Data. Your Choice™* – national consumer education campaign will be spotlighted to help service professionals ensure customers are aware of car data facts. Studies show that 71% of consumers assume

they have direct access to their vehicle's data.

All attendees are asked to sign the petition at AAPEX or at yourcaryourdata.org.

Interestingly, in a recent ruling, Georgia's Supreme Court has ruled that police need a warrant to obtain personal data from cars. This ruling has brought cheer to the privacy advocates. They contend that black boxes like the EDR are a mine of sensitive information including information about the behavior of the car, connections to other systems that can include phone contacts, location history and other sensitive info. According to the civil rights groups, searching the black box is akin to searching a computer without a warrant.

In times when there are cases like Mercedes-Benz's remote-control app supplying data from other users' accounts for at least a few hours recently, the concerns over privacy are not misplaced. In this case, info from "several" accounts including sensitive material like names, phone numbers and recent activity like locations was visible publicly.

Source: Secondary research & media reports

Consumers, Beware

Following Celebrities Online? Exercise Caution Please!



Free content especially on celebrities like Dhoni, Sachin, Sunny Leone, Radhika Apte comes at a cost. It can cost you money and expose you to cybercriminals

The Most Dangerous Celebrity List 2019:

- MS Dhoni
- Sachin Tendulkar
- Gautam Gulati
- Sunny Leone
- Badshah
- Radhika Apte
- Shraddha Kapoor
- Harmanpreet Kaur
- PV Sindhu
- Cristiano Ronaldo

cosumers, beware

\\ FOLLOWING CELEBRITIES ONLINE? EXERCISE CAUTION PLEASE!

IF YOU ARE one of the internet trawlers always on the lookout for the latest gossip on your favorite celebrity, beware. Your fanboy/fangirl innocent pastime could land you in deep soup. According to McAfee, India's digital native population are soft targets for cybercriminals who thrive on such user behavior. The more time you spend on the internet indulging in such pursuits, the more vulnerable you are.

McAfee's Most Dangerous Celebrity List 2019 includes celebrities like MS Dhoni, Sachin Tendulkar or Sunny Leone. If you are a fan and spend considerable time searching for free content on them, you can put your financial information at risk. According to McAfee, these three popular celebrities are among the top 10 celebrities generating the riskiest search results online.

Celebrated cricketer MS Dhoni, who commands a strong fan base tops the most dangerous celebrity list. Other close contenders in McAfee Most Dangerous Celebrity™ list 2019 are Radhika Apte, Shraddha Kapoor, Badshah, PV Sindhu, etc.

According to McAfee, searching for free content related to these celebrities could expose consumers to malicious websites, malware and other risky outcomes.

For cybercriminals, these innocent pastimes provide immense opportunities to lure unsuspecting consumers to malicious websites that may install malware or steal personal information and passwords.

McAfee warns that identity theft, banking, credit card and online shopping frauds, installation of skimming malware, tracking and monitoring software, installation of ransomware, trojans and viruses, are some of the most likely threats that consumers can face by clicking on these links.

The modus operandi of the cybercriminals includes gaining access to users' details, and with that accessing their banking details, putting the unsuspecting consumers' deposits and other financial assets at risk.

The information that the hackers can access include user's personally identifiable information such as name, contact number and banking details such as credit card and account

numbers by installing malicious code on a user's device through these links.

Further, with phishing, these cybercons can gain access to a user's bank account and other financial assets.

Media reports quoted Venkat Krishnapur, Vice-President of Engineering and Managing Director, McAfee India: "The significant ease of internet access, through a host of connected devices has made it increasingly viable for users to avail content from all over the world. As subscription-based content platforms continue to grow in India, netizens often look for free and pirated content such as major sports events, movies, TV shows, and images of their favorite superstars. Unfortunately, they may not be fully aware of the risks that malicious websites providing such

especially on MS Dhoni, should be treated with utmost caution and. For any content, in fact, user must stream and download only from a reliable source. In case of celebrity content, it is advisable to wait for the official release instead of visiting an unknown website that could contain malware.

- Illegal streaming sites are a big no no. According to McAfee, this comes under dangerous online behavior, as using illegal streaming sites is the equivalent of setting you own device on wildfire. Illegal streaming sites are often riddled with malware or adware disguised as pirated video files. The brainy thing to do is to stream the show from a reputable source.
- This is a must if you want even a modicum security online – protecting

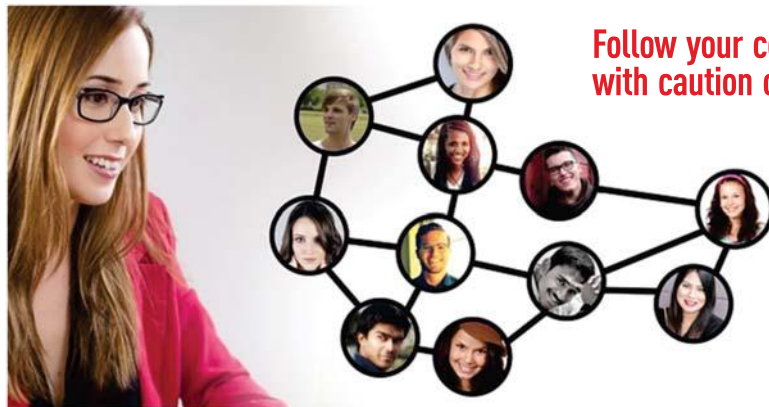


IMAGE: PIXABAY

content can pose in exchange for this access."

Whenever a consumer compromises on security for the ease of accessing free content, they land in cybercriminals' trap who prey on consumer vulnerabilities.

McAfee cautions users to recognize the threats of trawling the internet and exercise caution before clicking by avoiding suspicious links that promise free content.

India has a young demography with almost a third of its population comprising millennials. This is its digital native population of always connected generation owing to cheaper data and proliferation of smart devices. This young population is an easy target for cybercriminals who thrive on such user behavior.

Here are some tips to practice safe browsing:

- Click with caution. Free content,

your online realm with a cybersecurity solution. It not only keeps malicious actors at bay, but the comprehensive security solution protects the user from malware, phishing attacks, and other threats.

- McAfee advises using a Web Reputation tool – it will ring alarm bells when you are about to go to a malicious website – a godsend.
- If you are a parent, ensure your kids are safe when online. Use parental control software. Fandom is rampant among young users too and they follow celebrities on their devices. Ensure that limits are set on the devices the kids use. Parental control software meanwhile will minimize exposure to potentially malicious or inappropriate websites.

Source:
Secondary research & media reports

Rise Of The Indian Consumer



The Indian consumer comes of age

IMAGE: PIXABAY

The Indian consumer is the cynosure of the globe given their rising purchasing power and the growing clout to shape the world markets

“**OVER THE NEXT** decade, consumption in fast-growth consumer markets such as China, India and Southeast Asia will be reshaped by the Fourth Industrial Revolution and more than one billion first-time consumers,” says an article published on the World Economic Forum (WEF) website. The article titled ‘How India will consume in 2030: 10 mega trends’ is part of the India Economic Summit 2019. The article is the result of the Future of Consumption in Fast-Growth Consumer Markets study, a WEF and Bain & Company collaboration that focuses on the emerging markets. Emerging markets comprise more than 40% of the world’s population and are obviously a focus of interest for the world.

The study had first studied China in 2017 and in 2018 it picked up India as its focus.

Slowing down but not out

India, from all accounts, is one of the fastest-growing economies in the world.

According to reports, India is the world’s sixth-largest economy by nominal GDP and the third largest by purchasing power parity. While earlier the trends pointed to India’s growth rate stabilizing at 8 percent during the next decades, making it the world’s fastest-growing economy, recent economic slowdown has resulted in a new perspective. However, it is predicted that India’s GDP could overtake that of the US before 2050, making it the strongest economy worldwide.

According to a recent report of the International Monetary Fund (IMF), India maintained its ‘world’s fastest-growing economy’ tag with a projected 6.1 percent growth rate for 2019, even though IMF cut its growth projection by a percent.

The IMF report titled ‘World Economic Outlook, October 2019: Global Manufacturing Downturn, Rising Trade Barriers’ released on October 15, pegs India’s 2020 GDP growth at 7 percent.

Globally, the forecast for India is in contrast to IMF’s gloomy economic projection of a ‘synchronized slowdown’, even as it trimmed India’s prospects to 7.3 percent in April and 7 percent in July.

The Trade and Development Report 2019 released by the UN Conference on Trade and Development (UNCTAD) in Geneva recently, projects India’s growth rate for the current year to slow down at 6 per cent from last year’s 7.4 per cent. It ranks India as the world’s second fastest growing economy, lagging fractionally behind China, which with a 6.1 per cent growth rate for 2019 reclaims the title of the world’s fastest growing economy by being ahead of India by just 0.1 per cent.

The report maps a global slowdown with the world growth rate dropping from 3 per cent in 2018 to a projected 2.3 for this year.

Consumption: Changing trends

According to the WEF article, by 2030, India will witness a 4x growth in consumer spend. “It will remain one of the youngest nations on the planet and will be home to more than one billion internet users. The new Indian consumer will be richer and more willing to spend, and unlike her predecessors, she will have very specific preferences,” says the article.

The article highlights 10 mega trends for India in 2030 that draw upon the research and consumer survey conducted by the World Economic Forum and Bain for the Insight Report on the “Future of Consumption in Fast-Growth Consumer Markets: India”. The trends are as follows:



MIDDLE CLASS: Emerging as a powerful section of the society

Trend 1: The Indian middle class will truly come into its own

The article states that by 2030, “India will move from being an economy led by the bottom of the pyramid, to one led by the middle class. The middle-income group shows an expanding trend and as per the report, “nearly 80% of households in 2030 will be middle-income, up from about 50% today. The middle class will drive 75% of consumer spending in 2030.”

More about the middle class

The Indian middle class has for long been wooed and vilified in equal measure. While many studies hold it as central to its growth story, the term middle class has not had a single rigid definition. Its size and characteristics have also been variously defined and hence it is difficult to reach any conclusive arguments regarding its impact. In fact, a recent study estimates 28% of India’s population is middle class – of which 14% is lower middle class and about 3% is upper middle class. The study conducted by Maryam Aslany of King’s College, London, finds significant diversity in the type of jobs

among the middle class. However, a large proportion of the middle class are salaried employees. But what comes as a surprise is her estimate that a considerable segment of the Indian middle class resides in rural areas. More than 32% of the comfortable middle class and more than 23% of the upper middle class are located in rural India. Her findings are contrary to the commonly held belief that the middle class is an urban phenomenon.

Such is the importance of the Indian middle class that even electorally they have been recognized as a key force in India which political parties can ill afford to ignore. The new findings now point to their growing relevance for global business and policy.

Trend 2: Upward income mobility will drive growth across all consumption categories

According to the WEF article, “as 140 million households move into the middle class and another 20 million move into the high-income bracket, they will spend 2-2.5x more on essential categories (food, beverages, apparel, personal care, gadgets, transport and housing) and 3-4x more on services (healthcare, education, entertainment and household care). Upper-middle-income and high-income entrants will drive a 15-20% increase in the ownership of durables (washing machines, refrigerators, TVs and personal vehicles).”

More about the middle class

According to an article by Swati Ramanathan and Ramesh Ramanathan, co-founders of JANA Group, the current size of India's middle classes could be 40% of the population. They also categorize a Rural Middle Class which at 13.7%, is the single largest category. Adding Trader middle class – Rural, and Rising middle class – Rural, the overall size of Rural middle classes is 2/3rd of India's total middle class, they say. The Urban Private Middle Class is the fastest growing category among the middle classes, increasing seven-fold from 0.4% to 2.7% in 2019, state the authors.

According to an article in OECD Development Matters, “Over the next decade, middle-class spending power will shift from west to east due to the huge growth in the middle-class segments (USD 11-USD 110 per day) of India and China. The middle classes of these two countries will represent over 83% of their respective country's spending power, meaning that businesses should consider their tastes and preferences. Combined, the world's two most populous countries are expected to represent over 43.3% of the global middle class by 2030.”

The report further quotes the latest World Data Lab

Nearly 80% of households in 2030 will be middle-income, up from about 50% today. The middle class will drive 75% of consumer spending in 2030.

estimates stating that around “600 million Indians are currently poised to become “middle class” over the next decade, resulting in an income segment growth of approximately 144% and an almost tripling in spending power to USD 10.46 trillion. This is one of the largest relative increases of the middle class in Asia and, with continued economic growth, the group will reshape the composition – and the orientation – of the global middle class for the foreseeable future. We predict that by 2030, India's middle class will number over 1 billion, be 68.4% of the country's population and represent 83.6% of the entire country's spending power.”

Trend 3. Half the incremental rupees will go into buying more, the rest nearly equally into buying better and buying new

According to the WEF report, “Half the incremental consumer spend by 2030 will be simply to buy more of the products and services being consumed today. Affordable options will continue to be important. The remaining half will be split nearly equally on upgrading to premium offerings and including new variants in existing routines, such as adding organic food items and a new skincare regime or adopting app-based ride-sharing. Premiumization and category addition will drive a significant share of incremental spend on eating (food and beverages at home, and dining out), looking good (personal care and apparel) and staying connected (cellphones, data packs and gadgets).”

More about the spending pattern

According to 'Unravelling the Indian Consumer', a report by research firm Deloitte and Retail Association of India (RAI), there is a general trend to spend more on healthcare and wellness among the new consumer class comprising millennials. It says, “36 percent of the Indian millennials have a fitness app installed on their phones and about 45 percent think leading a healthy life is essential. Therefore, even though 'eating out' as a concept has significantly increased, specifically amongst millennials, focus on healthy alternatives is also on the rise.” This has also led to changing preferences even in the personal care category where there is a growing demand for nature-based/organic cures. “Customers are looking for chemical free, ayurvedic products for their daily skincare regime, and hence, a large number of leading and upcoming brands are focusing on the same.”

Trend 4: Aspirations are fast converging across urban and rural India, and better access will transform this intent into actual spend

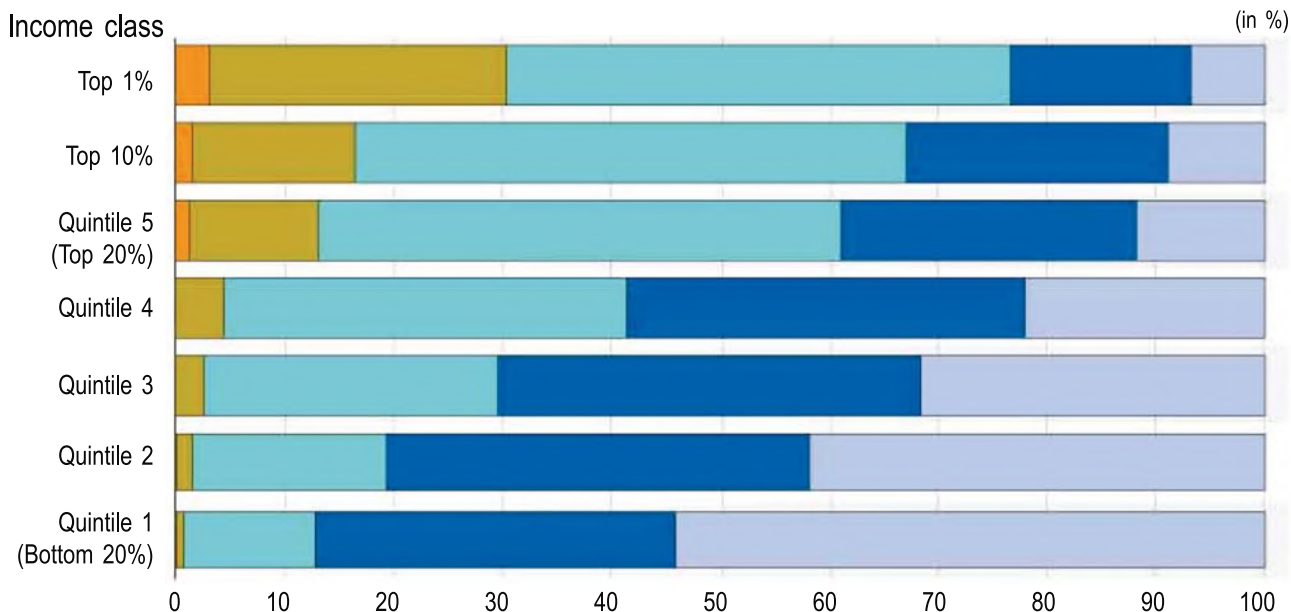
As the WEF report notes, “The internet and smartphones

FEELING 'MIDDLE CLASS'

A majority of the richest 1% think they belong to the middle class. Nearly a third of the middle-most quintile (third quintile) consider themselves poor.

Perception of class:

Rich Upper middle class Middle class Lower middle class Poor



have significantly bridged the information divide between consumers in urban and rural India. Beyond the top 40 cities, developed rural and small urban towns already have a very similar income profile.” This has led to a convergence of desires regarding standard of living and both sets of consumers aspire “to a similar set of brands and are equally comfortable with technology-enabled consumption.”

Trend 5: Millennial and Generation Z preferences will significantly shape the market

According to the WEF article, in 2030, 77% of Indians will be those who were born in the late 1980s and onwards. With exposure to more product and service options than their predecessors, these “youngest Indians already exhibit the greatest willingness to increase spending over the next 10 years, but they are also highly discerning about what they consider “best in class” offerings in every consumption category, from apparel to cars.”

More about millennials

Millennials and Gen Z consumers “will be able and willing to spend more but will also be more discerning.”

According to the Deloitte -RAI report, “India has the world’s largest millennial population in absolute terms.”

Millennials comprise the age group of 18-35 years, and a population of over 440 million. They make up nearly 34 percent of the India’s total population. Importantly, millennials also account for a major share in the workforce population at nearly 48 percent of the total workforce in the country.

The Deloitte-RAI report says, this “first global generation of digital natives” is predisposed to spending more vis-à-vis their increasing disposable income. Some key characteristics of this generation of consumers are: placing greater emphasis on health care and wellness; giving importance to convenience; viewing brands through a holistic lens and placing greater reliance on the ethos and the value system of the brand; and their need for personalization with an aim to differentiate themselves from the crowd.

Trend 6: Digitally influenced consumption will become the norm

The sixth trend points to the growing importance of digital on consumption. The WEF article states, “Connectedness will drive a significant difference in preferences, even at the same income level. As many as 50-70% of the most digitally connected consumers today, across income levels, already use digital platforms for product discovery and pre-purchase research. By 2030, more than 40% of

all purchases will be highly digitally influenced, up from 20-22% today.”

Traditionally, income and age have been the drivers of preferences, but in the future, as the report says, “preferences will be significantly driven by a consumer's degree of connectedness to digital media and online platforms.”

More about digital

The Deloitte-RAI report notes the trend of technology stepping up the retail play. “Technology has been the front-runner in driving engagement and experience in consumers' shopping journey. Apart from understanding consumers' behavioral insights through advanced data analytics, emerging technologies such as IoT, AR and VR, Artificial Intelligence (AI), bots and drones, beacons, cloud-platforms, etc., have played a key role in enhancing consumers' engagement more than ever.”

Trend 7: India's eternal hunt for value will aid the growth of e-commerce, 'value for money' brands and category extensions

The value conscious “Indian consumers will be willing to adopt value-for-money brands that have “just right” features and prices,” notes the WEF report.

More on value-conscious spend

The Deloitte-RAI report also finds that the value delivered by the brands gains prominence for the millennials. Another report titled 'The Indian Consumer Market and Its Changing Dynamics' notes that despite the rising propensity for spending, “Indian consumers have not let go of the value-conscious nature”. The value-conscious Indian consumer even when shopping for luxury end of the markets looks for value in their purchases. The digitally savvy consumer is spending more time on product options and comparisons with competing brands, before finalizing a purchase.

Trend 8: Technology-enabled new business models will leverage inherent comfort with 'usership' and the desire for increased convenience and well-being

The WEF report points to India's original “usership economy” which is a lesson to the world and says, “digital platforms for renting and sharing will speak to this usership mindset, as well as to the tech-savviness of future consumers.”

Trend 9: Business, policy and civic society leaders will collectively drive an inclusive, healthy and sustainable future for India

The WEF article notes that “the next phase of India's growth story offers stakeholders a chance to shape a path of responsible and equitable growth, from which other fast-growing markets can learn.” And that “public-private-civic-society partnerships can help tackle the three key societal challenges facing India today: the need for skills and jobs for its working age majority; the greater inclusion of rural India; and the building of a healthy and sustainable future for its citizens and cities.”

Trend 10: Firms will thrive by innovating for India and embracing a 'founder's mentality'

An important trend, it will see companies that “will go a step beyond replicating Western models at low costs; they will localize and personalize business models and product/service offerings according to the unique preferences and constraints of their Indian consumer.” The WEF report adds that a “founder's mentality will be a critical capability for the future, for small and established businesses alike.”



Digital Consumer Engagement For Consumer Goods

Conclusion

As is obvious, India is evolving into one of the most dynamic consumption environments globally and despite the revised growth forecasts, is predicted to grow more robust economically. This means growing incomes for Indians and a growing middle-income population as more upwardly mobile Indians join

the middle class. The India consumer has become savvier digitally and is in sync with global trends. As the Indian consumer ascends the 'Hierarchy Pyramid', they are moving beyond the needs-based consumption to aspiration-based shopping. Studies forecast a tremendous jump in consumer spending by 2030 on the back of increased incomes, a billion diverse internet users and the expanding base of millennial population. As the new Indian consumer becomes more affluent and aspirational, they are willing to spend more too. But this new consumer with evolved preferences and aspirations is demanding and requires fulfillment. The world is watching this Indian consumer and those who want to tap the Indian consumer market must be willing to up innovation and technological development to develop consumption models of the next level suited to Indian consumers' changing shopping habits. ▶

Source: Secondary research & media reports

SUPPORT THE CAMPAIGN



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BE RESPONSIBLE

Medicines such as Antibiotics have a Red Vertical Line on their pack to indicate that these should be consumed only on doctor's prescription. Always complete the full course as prescribed by the doctor.

Campaign Partners

SIGN THE PLEDGE.

[HTTP://WWW.CAUSES.COM/CAMPAIGNS/106670-RAISE-AWARENESS-FOR-SALE-USE-OF-ANTIBIOTICS-TO-COMBAT-AMR](http://www.causes.com/campaigns/106670-raise-awareness-for-sale-use-of-antibiotics-to-combat-amr)



REPORT

It was a gloomy start to the festivities, but Diwali revived consumer spending

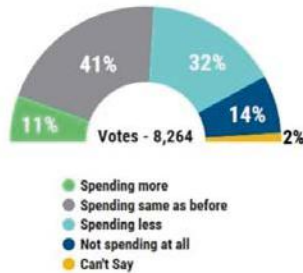
IMAGE: PIXABAY

Will Festive Spirits Boost Economy?

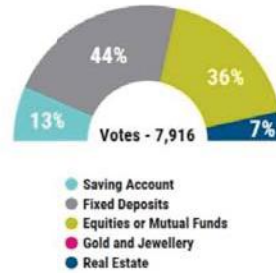
With the economic slowdown official, retail gloom deepened in India. Hopes were hinged on the festive times to boost consumption

LocalCircles Mood of the Consumer Survey: Consumers held back on discretionary spending the last few months but likely to be back in the market for festive season!

How has your spending pattern on discretionary items (shopping, meals, movies, services) changed in August - September?



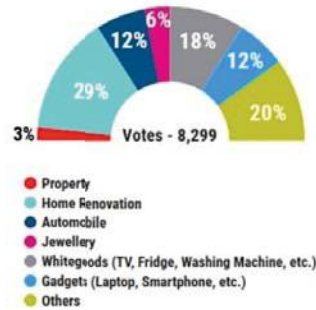
In what asset class are you currently keeping majority of your savings?



How much as a household do you plan to spend in the next 60 days (Sep-Oct) towards the festive season?



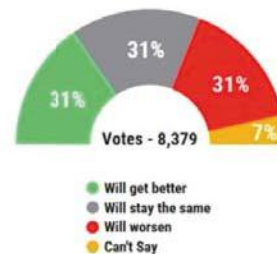
If you plan to spend over 50,000 this festive season (Sep and Oct 2019), what category will you spend majorly in?



If you plan to spend on whitegoods (TV, fridge, washing machine) or gadgets (laptop, smartphone, etc.) how do you plan to make the purchase?



How do you expect your financial situation to be in the next 6 months?

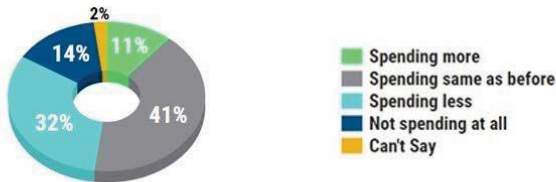


These polls were conducted on LocalCircles. Over 22,000 unique participants and over 49,000 votes were received from consumers based in Tier 1, Tier 2 and Tier 3 cities of India. 64% participants were males and 36% participants were females.



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How has your spending pattern on discretionary items (shopping, meals, movies, services) changed in August - September?



Votes - 8,264

LocalCircles

If you plan to spend over 50,000 this festive season (Sep and Oct 2019), what category will you spend majorly in?



Votes - 8,299

LocalCircles

46% citizens say they are either not spending or spending less in the last 45 days on discretionary purchases

For those spending over INR 50,000 this festive season, top areas include home renovation, automobile, whitegoods and gadgets

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TRADITIONALLY, THE FESTIVE season in India which begins with Dusshera and ends with Christmas is one of indulgent shopping for the Indian consumers. Even the conscious buyers throw caution to the wind and are sucked into the discounts, sales and freebies cyclone. Predictions of gloom notwithstanding, the resilient Indian spirit may just revive around the festival times and turn the doomsayers' forecasts on its head.

That said, the scenario this year seems to be more than a seasonal slowdown. Not just India, but the world seems to be grinding to a halt throwing a dampener on the festive spirits. Be it the maximum city or the millennial, diamond capital or some other, India's retailers everywhere have been spending sleepless nights in the run up to the big festival of lights.

Retail trade in the two most populous countries of the world that together are home to more than 2.8 billion people is in a morass. There are hardly any customers, and the irony is that the world had been betting on the rising consumption in these countries to propel the global economy.

The slowdown has impacted every sector from automobiles to white goods, as consumer demand nosedives.

There is also a growing breed of conscious shoppers that have moved away from impulse shopping to value and need based shopping. Even a few year ago, people would line up a night before for the launch of the latest mobile phone of a top brand or change their cars with new launches every year. It is a Diwali ritual in most parts of the country to replace their entire household furniture and furnishings with new. However, this kind of spending is showing a declining trend with value conscious millennial shoppers joining the consumer group.

The deepening retail gloom in India and China, home to more than a third of the world's consumers, has dampened spirits of small and big retailers alike.

Manufacturers of everything, from hairpins to cars, had their hopes pinned on these emerging economic powerhouses. Now the effects of the double slowdown is having a rippling effect across the world.

With GDP forecasts revised downward for both the countries, the alarm bells are ringing.

In this scenario, Diwali is crucial for Indian retailers to lift the mood. Indian's invest in appliances and consumer durables and retailers go all out to woo the consumers with discounts and other offers. The economic slowdown has made the festival of lights critical for the consumer durables and appliances industries that contribute about 25-30% to the year's turnover.

Despite the measures announced by the government to boost the economy, including the corporate tax cut, the consumer and business sentiment remains sluggish.

For the consumers, the slowdown has meant little or no bonus which normally comes around Diwali. The slump also did not materialize in a good salary increment earlier in the year. Unemployment hit an all-time high at 6.1 per cent in 2017-18 – a 45-year high. This has meant consumers are curtailing discretionary spending. All this is leading to a significant drop in overall demand.

According to experts, private consumption is the main driver of India's economic growth, contributing nearly 60 per cent to the GDP, and hence is crucial. According to RBI's Monetary Policy Report, it dropped to 55.1 per cent in the first quarter of 2019-20, from 56.1 per cent a year ago. Media reports that the growth in private consumption expenditure fell to 3.1 per cent in June, which the lowest in the past four and a half years. A further drop in spending is expected as a result of inflation.

Diwali cheer?

LocalCircles Mood of the Consumer Survey (Pre-Festive Season) finds that though consumers held back on discretionary spending in the past few months, they are



Nothing cheers
the Indian consumer
more than Diwali

IMAGE: PIXABAY

likely to be back in the market for festive season. The survey results are based on 22,000 unique participants and over 49,000 from consumers based in Tier 1, Tier 2 and Tier 3 cities. Of the total participants, 64% were male and 36% participants were female.

The slowdown has certainly affected the spend on discretionary items, as the survey found that spending pattern on discretionary items like shopping, meals, movies, services, etc., changed in August – September. While 32% said they are spending less, and 14% said they are not spending at all. For 41% respondents said there was no change. Only 11% of the respondents are spending more they said. 46% citizen the respondents said they are either not spending or spending less in the last 45 days on discretionary purchases.

To the question as to how much as a household they plan to spend in the next 60 days (Sep-Oct) towards the festive season, 43% of the respondents said they would spend up to Rs 10,000 on just festive basics and 31% said they plan to spend reasonably between Rs 10,000 and Rs 50,000. Only 4% of the survey respondents said they planned to splurge over Rs. 50,000, while 17% said they will not be spending anything. The survey shows that 35% households will spend over Rs 10,000 in the festive season.

Among those who plan to spend plan over Rs 50,000 this festive season, 29% would be spending on home renovation, 12% on automobile, 6% said they will be buying jewellery, 18% would invest in white goods like

TV, fridge, washing machine, etc., 12% said they would spend on gadgets, 3% on property while 20% plan to spend on other items. As the survey shows, for those spending over Rs 50,000 this festive season, top areas include home renovation, automobile, white goods and gadgets.

Conclusion

Festivals specially Diwali give a boost to consumer spending. This consumption boom leads enhanced industrial activity and investment, creating more jobs. This year specially a consumption boom is critical to rev up the economy.

Though retailers were preparing for the festival with trepidation, Diwali sales brought some relief. According to media reports, purchase of entry-level products expanded at a slower pace, however, there was higher demand for mid-to-premium products. The trend indicated either postponed shopping or shifting to discount-led online portals by lower income buyers. The availability and penetration of consumer finance acted as a booster and the average transaction size was large. Surprisingly, the conservative shoppers outdid the frequent shoppers in the festive season.

Overall, the festive season sales were much better than expected and boosted the spirits of the retailers. ▀

Source: Secondary research & media reports



IMAGE: PIXABAY

Influencer marketing is a hush-hush business currently

Move Afoot To Rein In **Influencer Marketing**

The Advertising Standards Council of India (ASCI) is planning to frame guidelines based on best practices to safeguard consumers against paid influencer marketing by helping them make informed decisions on purchases

IN THE LAST few years, 'social media influencer' has become a most sought after profession. Those who have aced the game, loudly flaunt the designation on their resume and have influenced a lot of others to join the party. The perquisites of this role are many – freebies and even cash emoluments. All you need is a sizable follower group and some panache. Your educational or professional qualification are secondary if not irrelevant to this game. Once you are onboarded by a brand, your main job is showcase the product on your social media profile to generate as many 'oohs and aahs' as possible and possibly some 'Pp? (price please?)', which will allow you to guide the enquirer to the seller.

Easy-peasy right?

A glamorous job, no wonder the influencer trend has spawned 100s of them across social media platforms like YouTube, Facebook and Instagram. These brand ambassadors are hawking everything – from food, clothes and gadgets to holiday destinations, houses, cars and what not. Ironically, most of the followers of these influencers just view them as

trendsetters and are not even aware that they are parading an unending array of commercial goods through their paid posts.

For brands, these new breed of brand ambassadors bring a touch of authenticity and nearness to the actual target consumers that celebrity endorsers can't.

But the game has caught the attention of advertising regulator, the Advertising Standards Council of India (ASCI), which is working on disclosure norms for social media influencers involved in product promotion on the internet, and according to reports, is slated to



release them in the third quarter of this year.

According to media reports, the ASCI will frame the guidelines on the lines of international best practices. The aim is to enable social media users to make informed decisions on their purchases.

Digital advertising is growing rapidly as more and more consumers go online and the ASCI felt the need for strong processes to regulate the digital medium, including the guidelines for social media influencers.

Media reports quoted Rohit Gupta, president of Sony Pictures Networks and the new chairman of ASCI: "On social media platforms such as Instagram, Twitter or Facebook, people are promoting brands and products which also come under ASCI's purview. Influencers are

becoming big (and) we need to look at redressal systems and guidelines that will protect consumers and guide brands to use them wisely."

The process for product endorsement online by social media influencers involves writing personal review on the product and recommending its purchase by endorsing it personally. These brand influencers by the virtue of their established credibility in a specific area can wield significant influence on potential purchase decisions by recommending items through their posts. Instagram especially has become a hot platform for social

media influencers. They post their images with the product and write a promotional blog providing links to purchase the item on display.

Social media influencer category includes both celebrities and independent content creators. However, the trend of using common citizens with a social media presence is gaining predominance.

These independent brand product endorsers are paid based on the number of followers that they have and user engagement they can generate. In effect, it depends on how influential they are on social media.

The trend of engaging social media influencers to promote products is driven by the changing consumer profile. Millennials are the first digital natives and the most comfortable mode of shopping for them is online. The way they make purchase decisions is also different from the traditional buyers. To appeal to them, marketers need to look beyond traditional advertising. These digital natives feel an instant connect to influencer marketing driven by personal recommendations. Influencer endorsement of products in categories such as beauty, fashion, travel and food especially work and is trending online.

The ASCI could play an important role in regulating the influencer driven product promotion. Though the Council does not have penal powers, its decisions are binding on both members and non-members, according to a Delhi high court ruling.

Further, the Consumer Protection Act seeks to penalize misleading ads placed on any medium and has recognized ASCI's status as a self-regulatory industry body.

Digital marketing agency AdLift estimates India's influencer market at \$75-150 million a year. While the influencer market is still small compared to the global market of \$1.75 billion, it is growing fast. Further, from an online marketing perspective, it is also significant. The influencer market is poised to grow



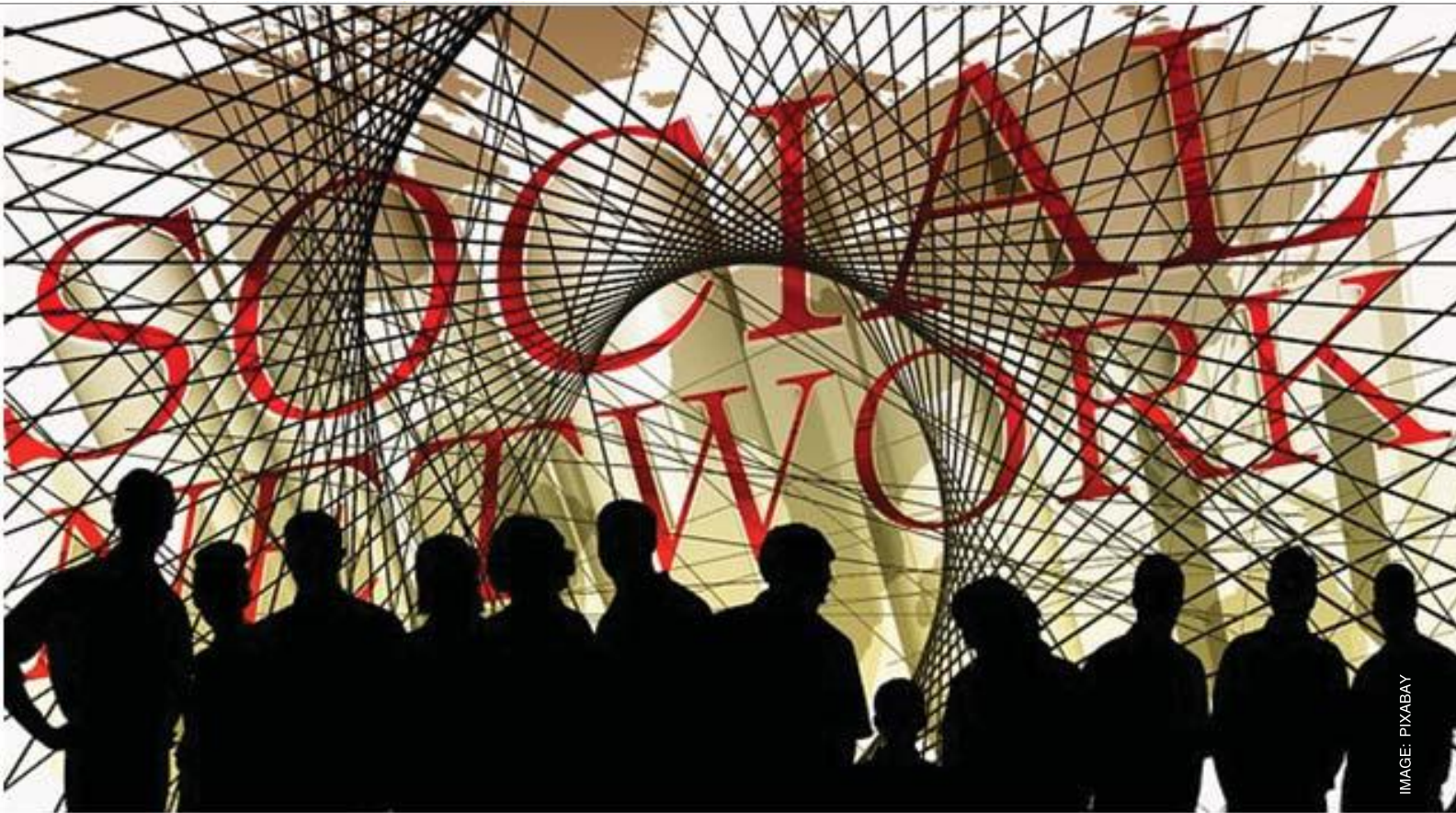


IMAGE: PIXABAY

Social networking platforms provide immense opportunities for influencer advertising

as more Indians go online in Digital India supported by cheap data and affordable smartphones.

Given the rapid paced growth of influencer marketing, guidelines to protect consumers, and regulate brands and advertising ecosystem are urgently needed. As of now, influencer marketing is not classified as ad and hence escapes regulatory watch.

While influencers are being used to promote products from both national and international brands; for small startups, this mode of marketing makes sense as it is both cost-effective and impactful.

Different social media platforms have developed their own ways to engage with influencers. Instagram offers a paid partnership tag through which influencers can clearly indicate if a post is paid or created in partnership with a brand. This would let the followers know the commercial nature of the post. Instagram also allows Branded Content Ads via

which companies can promote sponsored posts like any other ad.

YouTube too has a "paid promotion" tag, which appears in the first few seconds of a video. Facebook, too, has developed a paid partnership tag.

The problem however is that in the absence of regulations making it mandatory many of these influencers do not use these tags to state their position on a post. The guidelines are expected to change this as brands and agencies would need to develop influencer marketing ad campaigns where the consumer knows it's an ad.

On social media platforms such as Instagram, Twitter or Facebook, people are promoting brands and products which also come under ASCI's purview.

Influencer marketing has earned notoriety following an expose by YouTube content creator Scherezade Shroff who has been into online videos creation for many years. In one of his videos titled Influencer Scam, he revealed the murky details of influencer marketing. It includes buying fake followers and not disclosing paid partnerships.

The fine line between organic and paid content is obfuscated at the moment and guidelines will bring more transparency to the consumer who repose trust in bloggers/vloggers recommendation.

It is hoped that guidelines would include clauses to make disclosure of paid partnership mandatory and also bring clarity on different types of promotions/collaborations and products that can be advertised through influencers.

Source: Secondary research & media reports



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PROMOTING PATIENT SAFETY

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CURING PEOPLE
AROUND
THE GLOBE**



Precision Engineered, Affordable & Easy to use.

CONSUMER PROTECTION Comes Of Age

The Government of India has been taking several measures to make consumer protection at par with the changing marketplace reality in the digital era



IMAGE: PIXABAY

Consumer protection mechanism is being upgraded to cater to digital consumer

DECEMBER 24 MARKS an important date in the calendar of Indian consumers. On this day, the country observes the National Consumer Day every year to commemorate the momentous occasion when on 24 December 1986 the Consumer Protection Act, 1986 received the assent of the President. The enactment of this Act is considered as a historic milestone in the consumer movement in the country.

This 1986 Act aimed to provide consumers with effective safeguards against different types of exploitation such as defective goods, unsatisfactory services and unfair trade practices. It provides consumers with speedy and inexpensive redressal grievances mechanism and specific relief or award of compensation. The Act recognizes six of the eight rights of the consumer as provided in the UN charter and envisages following rights of consumers:

- (i) Right to Protection
- (ii) Right of Information
- (iii) Right of Choice
- (iv) Right of Hearing
- (v) Right of Redressal
- (vi) Right of Education

The National Consumers Day is hence an annual occasion for celebration and solidarity within the national consumer movement and is an opportunity to promote the basic rights of all consumers.

Move towards modernizing consumer protection

Digitalization has changed the marketplace reality and consumer protection too needed to upgrade to be able to provide better safety net for consumers. The need for a stronger legislation that tackled the emerging challenges saw the Consumer Protection Act, 2019 (2019 Act), coming into effect in August. The 2019 Act repeals the previous consumer protection legislation which had been in effect since 1986 (1986 Act) and had undergone several amendments over the years to bring it in synch with the changing economic realities.



IMAGE: PIXABAY

The changing marketplace

Despite these amendments to the Act from time to time, its implementation remained poor and had failed to fulfill its objective “to provide for better protection of the interests of consumers.”

The 2019 Act brings in fundamental changes to the existing 1986 legislation by substantially enhancing the scope of consumer protection. The Act now brings advertising claims, endorsements and product liability within its purview, which are shaping retail trends and consumer behavior today.

The definition of “consumer” under the 2019 Act has been expanded to include online shoppers and product and services endorsements also comes within the ambit of the Act.

False and misleading advertisements are punishable and the onus of preventing such fraud is now also on endorsers, apart from manufacturers and service providers.

Another important amendment is the definition of “goods”, expanded to include “food” as defined in the Food Safety and Standards Act, 2006. This change takes into account the rising trend of food delivery platforms and offers effective control by bring them within the fold of the 2019 Act.

The definition of “services” now includes “telecom” although experts are concerned that it has not been worded as “telecommunication service”, which as defined under the Telecom Regulatory Authority of India Act, would have included internet, cellular and data services.

An important inclusion in the 2019 Act is “product liability” which makes manufacturers and sellers of products or services responsible to compensate for any harm caused to a consumer by defective products, manufactured or sold, or for deficiency in services. “Unfair contracts” is another new concept that would protect consumers from such contracts that favor manufacturers or service providers unreasonably.

With the definition of “unfair trade practices” enlarged, misleading electronic advertising as well as refusal to take back or withdraw defective goods, or to withdraw or discontinue deficient services, and to refund the consideration within the period stipulated or in the absence of such stipulation, within a period of 30 days, is all liable to attract punishment under the Act.

Taking into account data privacy issues, the 2019 Act stipulates that if any personal information, given in confidence and gathered in the course of a transaction, gets disclosed, it becomes a punishable offence.

The 2019 Act also envisages a Central Consumer Protection Authority and vests power and control in it to safeguard the rights of the consumers. The Authority is invested with the powers to “regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class.” The Act empowers the Authority to inquire and investigate through a dedicated investigative wing



set-up headed by a Director-General, analogous to the Competition Commission. The Authority can also file complaints and intervene in matters before the Consumer Commissions.

Further, the jurisdiction of the Consumer Commissions has been expanded and now a complainant can file complaint where they reside or work for gain, as opposed to the 1986 Act which mandated complaints be instituted where the opposite party resides or conducts business, or where the cause of action arose, which was a deterrent for consumers to seek redressal.

The amendment thus is laudable as it eases the burden on consumers who can now file complaints where they reside and will not be required to travel to other parts to pursue their complaints.

Another feature that empowers consumers is that the admissibility of complaints made to Consumer Commissions are to be decided within 21 days. What differentiates this from the 1986 Act is the addition that if the issue of admissibility of the complaint is not decided within stipulated time, the complaint shall be deemed to have been admitted.

The changes brought in the Act show that government is keen to bring in transparency in the marketplace and strengthen the consumers enabling them to tackle the newer realities that they encounter.

'CONSUMER APP' FOR SPEEDY REDRESSAL OF GRIEVANCES

In October this year, the government took another major step towards modernizing consumer protection. Union

An important inclusion in the 2019 Act is “product liability” which makes manufacturers and sellers of products or services responsible to compensate for any harm caused to a consumer by defective products, manufactured or sold, or for deficiency in services.

Minister of Consumer Affairs, Food and Public Distribution, Shri Ram Vilas Paswan, launched a mobile application – 'Consumer App' (App) – to act as a one stop solution for speedy redressal of consumer grievances and complaints. This was an addition to consumer courts and consumer helpline.

Apart from registering consumer grievances online, the App also provides suggestions on consumer related issues. It enables the consumers to avail information across 42 sectors including consumer durables, electronic products, e-commerce, banking, insurance, etc.

The interactive App allows registered consumer to also give suggestions to the government. The App available for both IOS and Android users, can be downloaded free of cost from Play Store or Apple Store and works in English as

well as Hindi languages.

A consumer needs to register on the App. Once registered, you can file a complaint through the App and track the status of the complaint.

The resolution of complaint is to be done in a time bound manner, whereby, simple grievances would be resolved within 20 days, while those that require feedback from companies or further enquiries, would be resolved within 2 months/60 days. Further, if a grievance remains unresolved upon expiry of the said time period, the consumer would be directed to approach the consumer forum.

The App is aimed at taking consumer protection a step closer to Digital India by making information about various sectors, consumer complaints, and grievance redressal digitalized and hence speedy and efficient.

INGRAM: Modernizing Grievance Redressal Mechanism

Another important development in the area of consumer protection modernization's been the launch of INGRAM (consumerhelpline.gov.in) by the Department of Consumer Affairs. INGRAM (Integrated Grievance Redressal Mechanism) aims to create awareness, advise and redress consumer grievances and act as a central registry for lodging consumer grievances.

The website promises to make all efforts to address consumer grievances, while acceding that all grievances may not be fully or satisfactorily resolved.

INGRAM portal is aimed at being an alternate dispute redressal mechanism and the consumer is advised to approach relevant Consumer Commission or forum in case they find the resolution unsatisfactory.

The aim behind launching the portal is to bring all stakeholders including consumers, government agencies, companies, regulators, ombudsmen, etc., that are party to consumer grievance redressal on to a single platform.

The portal aims to provide help, tips, assistance, guidance, support and advice to consumers all in one place. It will help create awareness among consumers about their rights and how they can protect these rights and also educate them on the responsibilities that they have as consumers.

Registering their grievances online through INGRAM is easy. The portal provides toll free number that the aggrieved consumers can dial to speak to an agent or alternatively register themselves on the portal to register grievances related to consumer issues.

Once a consumer registers on the portal, they are provided a user id and password and can then lodge complaint by uploading necessary documents, if any.

Once a grievance has been registered on the portal or



IMAGE: PIXABAY



Catering to the modern consumer

received through call on toll free number, a unique docket number is generated and provided to the complainant.

The process involves the grievance then being shared with relevant/ concerned company, agency, regulator, or ombudsman, depending on the nature of the grievance.

The action taken by the concerned agency is then updated in real time by it. INGRAM follows up the complaint with reminders to the concerned agency at stipulated time interval. The consumer meanwhile can track the status of the grievance on portal under the link Track Your Grievance. For this the complainant is not required to log into the portal.

In case, despite the efforts generated by INGRAM, the grievance redressal remains unsatisfactory, the consumer can approach appropriate consumer court including National Consumer Disputes Redressal Commission (NCDRC), State Commission, and District Forum.

Any grievance registered through INGRAM is taken up for redressal at the appropriate level to ensure quick disposal.

generally, a grievance can take up to a maximum of 60 days for redressal.

For information and knowledge, the portal is a reservoir of material on consumer awareness that can be accessed from links like Consumer Rights, Consumer Fora, Consumer Protection Act, etc. The portal also provides links to other useful sites under Important Links that the consumer can click on to visit relevant sites.

Conclusion

The government is working on several fronts to overhaul the consumer protection system in the country by bringing in adequate safeguards, modernizing redressal mechanism and strengthening consumers' rights framework. It is hoped that the Indian consumer will soon become not just aware but empowered individuals. ▶

Source: Secondary research & media reports

“The New Consumer Protection Bill”



Ram Vilas Paswan

Union Minister for Consumer Affairs, Food and Public Distribution

on the new Consumer Protection Act and other issues concerning consumers



“Additional swift executive remedies have been provided in the new Act through Central Consumer Protection Authority”



Q Consumer movement in India has come a long way this year with the introduction of the Consumer Protection Bill, 2019 in Lok Sabha by the Minister of Consumer Affairs, Food & Public Distribution, Shri Ram Vilas Paswan on 8 July 2019, replacing the decades old Consumer Protection Act, 1986. What are the points of departure from the 2018 Bill and the 1986 Act? How does it strengthen the rights of consumers in India?

The Consumer protection Bill 2019 has already been passed by both Houses of Parliament and after President's assent to the Bill, the Consumer Protection Act, 2019 was published in the official gazette on 9 August 2019.

The main feature of the 1986 Act was that for redressal of his grievance a consumer had to approach the three-tier Consumer Disputes Redressal Agencies, i.e., the National Commission, the State Commissions and the District Consumer Fora.

The Consumer Protection Act, 2019 provides for several new features such as establishment of an executive agency, the Central Consumer Protection Authority, to provide swift executive action for prevention of unfair trade practices including misleading advertisements, mediation as an alternate dispute redressal mechanism to facilitate quicker redressal of grievances, provision for product liability, penalty for adulteration of products and manufacture/sale of spurious goods, provision for making rules by the Central Government for regulating unfair trade practices in e-commerce and direct selling. Besides, simplification of the adjudication process in the Consumer Commissions has

also been provided for quick disposal of consumer disputes. All these measures will certainly strengthen the rights of the consumers. The new Act also brings unfair contracts liable to be annulled.

Q The 2019 Bill is aimed at modernizing the consumer laws. How does it compare with international laws of the same nature?

As per the new Act, an executive agency, the Central Consumer Protection Authority will be established which is a unique feature of this Act and it will be in line with the best international practices. Provision has been made in the Act for product liability.

Q What is the status on Central Consumer Protection Authority which is to be set up under the Bill?

The Central Consumer Protection is being made operational expeditiously.

Q Please explain for the layman consumer the role of the CCPA.

- The 1986 Act had a three-tier structure which could be utilized by an aggrieved consumer for adjudicating any complaint. However, it did not provide for a regulator which could initiate or intervene on a preventive basis viz. direct product recalls or withdrawal of services which are dangerous or unsafe, directing discontinuation of unfair practices or reimbursement of the price of recalled goods.

- Presently Consumers have only single point of access to justice, which is time consuming. Additional swift executive remedies have been provided in the new Act through Central Consumer Protection Authority.
- CCPA will regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class.



The Consumer Protection Bill 2019 has already been passed by both Houses of Parliament and after President's assent to the Bill, the Consumer Protection Act, 2019 was published in the official gazette on 9 August 2019.

Q Penalties for misleading advertisement is a much-needed step. However, who will play the role of the gatekeeper? Who will be responsible for bringing misleading ads to the notice of the CCPA? Is there a mechanism in place?

There is a provision in the Act for making complaints by consumers to the Central Consumer Protection Authority. The Act also provides for taking suomotu action by the CCPA. Appropriate code of advertising in print and electronic media will be formulated for this purpose.

Q What is the progress on Consumer Disputes Redressal Commissions (CDRCs)?

Revised rules are under preparation.

Q The onus of proving that any one of the conditions for defect or deficiency, as given in the Bill is fulfilled to claim product liability, is on the consumers. How is it expected that the consumers fulfill this condition? Your comments.

A product liability action may be brought by a complainant against a product manufacturer or a product service provider or a product seller for any harm caused to him on account of a defective product. A product manufacturer shall be

liable in a product liability action, if—

- (a) the product contains a manufacturing defect; or
- (b) the product is defective in design; or
- (c) there is a deviation from manufacturing specifications; or
- (d) the product does not conform to the express warranty; or
- (e) the product fails to contain adequate instructions of correct usage to prevent any harm or any warning regarding improper or incorrect usage.

While making a complaint relating to product liability action, a consumer has to give any one of the aforesaid grounds. However, the product manufacture shall be liable in a product quality action even if he proves he was not negligence or fraudulent in making express warranty.

Q How do you see the consumer movement in India today and going forward? Any suggestions on how consumers can become aware and empowered?

- (1) The new act allows a person to register a complaint with CCPA on misleading advertisements and class action will be new level of consumer protection in future. VCO's and Government can initiate class action

complaints with CCPA. This will be a major change in areas of real estates, product recall, etc.

- (2) Regulations of e-commerce which is growing exponentially will get regulated under the new regulations.
- (3) With pecuniary jurisdictions of District Commissions getting increased to Rs1 crore, District Commission will find more cases registered: This helps consumers. ▀



Pyush Misra
Director,
Consumer Online Foundation

Declining Rural Demand For Consumer Goods Is Alarming Experts

Developed rural India represent a \$1.2 trillion annual consumption opportunity, companies must find the key to unlocking it



INDIA'S ECONOMIC RECOVERY lies in its villages. According to reports, India can achieve its goal of a \$5 trillion economy by 2025 only if rural India grows by 12 per cent per annum. The importance of rural India to scripting this economic success cannot be overemphasized especially when despite rapid urbanization in the last decade, 46 per cent of the

national income is curtesy rural India.

Changes in the traditionally agrarian rural economy are now prominent, as rural India becomes increasingly more diversified. The non-agricultural sector now contributes to about two-thirds of household incomes.

According to a World Economic Forum article titled 'How India's new

consumers can contribute to a \$6 trillion opportunity', "...the rural market is now clearly segregating itself into two cohorts – "developed rural" and the "rest of rural India". Developed rural India is a fascinating construct. It is sometimes close to growing urban areas and thriving in their economic wake and sometimes has growth engines of its own. Incomes in

developed rural areas are already on a par with small towns and vastly higher than the rest of rural India... Our projections suggest that developed rural India will be home to 240 million consumers by 2030."

The opportunity that lies in India's rural countryside is more than obvious. It is hence a matter of grave concern that demand for consumer goods in rural India has been falling steadily. In terms of regions, the North market has seen maximum impact where volume growth is almost flat at 1% in July-September 2019, against strongest growth of 17% in July-September 2018. The North is a relatively more price-sensitive market as contribution of rural is at 37%.

According to media reports, demand for consumer goods in rural India recorded its worst performance in the last seven years. Nielsen's India's FMCG Growth Snapshot shows the growth dipped to 5% in the September quarter of 2019, from 20% in the corresponding quarter last year.

Nielsen estimates that rural spends account for 36% of total expenditure on FMCG products in India. What's remarkable is that the rural consumer goods market has historically grown 3-5% higher than urban India. However, in the September quarter of 2019, urban demand grew by 8% against the 5% clocked by rural. While the sharper slowdown in rural demand is responsible for the declining figure, the distribution in rural areas has also steadily declined.

According to Nielsen, India's FMCG market clocked a value growth of 7.3% in July-September 2019, down from 16.2% in the corresponding quarter. The growth trend continues to be dampened by the drop in consumption, which has moved to 3.9% in the period, down from 13.2% in July-September 2018. Price-led growth is sustained at 3.4% this quarter. The trend is not likely to be very different for January-March quarter of 2020. Nielsen expects FMCG growth to be between 7.5-8.5% in Q1 2020.

Falling demand for consumer goods



Rural India holds the key to India's development

Media reports quoted Sunil Khiani, head (retail management services), Nielsen: "Distribution is moving down in rural India, which means less products are reaching to the outlet, which impacts the intermediaries."

Nielsen report adds that the per dealer offtake in rural India is significantly slowing down; that is, they are selling less and stocking less. This impacts the trade down the value chain from the end kirana store or trader to everyone in the chain.

Headline rural growth at 5% in July-September 2019 suggests that the growth in this segment is slowing much faster, as it is a quarter of the growth recorded in the corresponding period last year, says the report. Urban growth at 8% has come in higher compared to that of rural, although about half of the 14% urban growth registered in July-September 2018. According to the Nielsen report, this is a sharp reversal in trend.

Consumer companies had been

steadily improving penetration into rural India to combat slowdown in the urban markets. Meanwhile as rural disposable incomes increased affordability and modern trade reached the rural hinterlands, it resulted in higher demand. The government's focus on equitable growth saw investments in rural India that gave further impetus to this growth.

Nielsen report notes that in recent periods, rural growth is slowing down at a much faster rate compared to urban. The cash crunch and lack of disposable income has hit consumption, which is a "concern". Further, growth in sales per store in rural areas has come in at a fourth of July-September 2018, which reflects a significant drop in demand amongst rural consumers. In addition, rural distribution growth has continued to inch downwards. Small manufacturers have seen the biggest drop in cumulative distribution growth where it has moved from 18% in the third

quarter of calendar year 2018 to no growth in the same period this year. For large manufacturers, cumulative distribution growth has halved.

Source: Secondary research & media reports



IMAGE: PIXABAY

Deficient In Services?

Banks Had Better Pull Up Their Socks

Rising consumer awareness in the digital age has made the ordinary consumers aware of their right to quality services and ways to reach out for redressal in case they don't receive it



IMAGE: PIXABAY

Banks must overhaul their consumer complaint mechanism

RUDE STAFF, AN absent work culture and apathy towards customers – the traditional Indian banking system has been infamous for mistreating or misbehaving with customers. Customers could never get a straight answer from the banking staff and there are many tales of how they have been made to run from pillar to post for their own money.

While there was always a system for customers to register their complaints against such treatment and other issues, but it rarely worked. It involved writing letters to the concerned bank manager and even for serious complaints, there could rarely be an enquiry, leave alone punishment for the erring staff or a total rectification of the system. The practice also required that the grievance was explained in detail in the letter to the manager. Those who could write also found it tedious knowing well that their complaint would not be attended to. For the non-elite, the situation was a nightmare. Though most bank branches maintain a complaint register, these methods were ineffective in either helping the customer, or changing the behavior pattern of rude staff.

Modernizing complaint mechanism

Digitalization of the banks has however changed the way customers can register their grievance and get it redressed. For instance, customers of banks like State Bank of India now have several options to register their complaints. They can register their grievance with the bank manager, through customer care, SMS or on CMS Portal (<https://cms.onlinesbi.com/CMS/>).

SBI customers can submit applications in which they can explain the nature of their grievance with the branch

manager of the concerned branch/home branch. SBI also provides a toll-free number for registering complaints. In fact, the complaints procedure has been so simplified that a customer unhappy with the services offered by SBI can also SMS “UNHAPPY” to the provided number and a bank executive will call back to resolve the issue.

For SBI customers another way to register complaints is to simply visit the CMS portal to register their complaints. A customer can select the category of complaint and the nature of complaint from the available options. For customers who have specific complaints against a branch, they can select the category branch related under product & services and select the nature of complaint from a list of available options.

HDFC Bank too provides options to customers to register their complaints. Customers can do it either through the dedicated toll-free customer care number and get a complaint ID, or they can lodge the complaint online.

Most public sector banks now provide aggrieved customers the option of registering their complaints via e-mails to the service quality department. This department is also responsible for complaints posted on the websites of banks.

After registration of a complaint, a customer is required to wait for 30 days for a suitable response from the bank. However, in case the bank fails to resolve the issue in this stipulated time period, the customer can approach the banking ombudsman.

How RBI Safeguards Consumer Rights

To ensure that customer grievances are promptly



Customers deserve
your attention

IMAGE: PIXABAY

IMAGE: PIXABAY



Banking Ombudsman will address consumer grievances promptly

addressed by concerned banks, the Reserve bank of India (RBI) provides Banking Ombudsman Scheme. Under the Banking Ombudsman Scheme 2006, Banking Ombudsman (BO) offices have been set up to “enable resolution of complaints of customers relating to various services rendered by banks.” On RBI’s official website there is a note: “Within 30 days of receiving reply from the bank or in case of non-receipt of a reply from the bank within 30 days of lodging the complaint, the customer can take recourse to the Banking Ombudsman.” It also provides the details of Office of Banking Ombudsman.

Rising Number of Complaints

According to an RBI report, there was a 25 percent increase in the number of complaints received by Banking Ombudsman offices during 2017-18. The larger number of complaints were from urban areas. The report noted that the higher proportion of complaints from urban areas in recent years was due to increasing awareness about grievance redressal mechanism among bank customers and also the efficacy of internal grievance redressal mechanism in banks, not being up to the desired level.

Notably, the maximum number of pension-related complaints and a majority of ATM/Debit card-related complaints were against PSBs.

Complaint Management System by RBI

The RBI recently launched Complaint Management System (CMS) for filing of complaints with RBI against any regulated entities. Anurag Thakur, Minister of State for Finance & Corporate Affairs, told the Lok Sabha in a written reply in July, “The complaints falling under the grounds of complaints of the Banking Ombudsman (BO) Scheme, 2006 and Ombudsman Scheme for NBFCs, 2018 are resolved as per the provisions of Schemes.” The total number of complaints received on CMS against banks was 10,249.

RBI instruction to large wallets operators on consumer grievance redressal

In another development, RBI instructed large wallet operators to appoint internal officer for resolving consumer complaints. The move comes as the RBI is aiming to strengthen the customer grievance redressal mechanism for large wallet companies. The apex bank

has decided to mandate the creation of an internal ombudsman scheme by them.

As per RBI’s Statement on Developmental and Regulatory Policies, the aim is to strengthen the grievance redressal system at the entity level and provide expeditious redressal.

According to media reports, this directive will cover the large non-bank PPI issuers, who have more than Rs 1 crore pre-paid payment instruments outstanding.

Digital wallets such as PhonePe, Amazon Pay and Mobikwik among others will fall under the ambit of the directive. However, the Paytm run payment bank will come under banking ombudsman, reports the media.

The purpose of the internal ombudsman is to facilitate a swift and cost-effective complaint redressal mechanism within the entity and provide an additional tier for grievance redressal, according to the regulator.

Further, in case the ombudsman fails to settle the dispute through mutual agreement within a month, it can pass an award.

The deputy governor of RBI is an appellate authority under this scheme.

Under this new mechanism, a customer will be able to raise complaints in case of failure in crediting merchant’s account within a reasonable time, failure to refund and load funds and unauthorized electronic fund transfer including non-adherence to any other instruction of RBI. However, customers will be required to first raise their complaint with the concerned provider.

The central bank’s decision comes in the wake of a surge in digital payments complaints. Early this year, the apex bank had announced that it is necessary to provide a mechanism of Ombudsman for redressal of complaints against deficiency in services related to online transaction.

Last December, the RBI had said that there is an emerging need for a dedicated, cost-free and expeditious grievance redressal mechanism for strengthening consumer confidence in this channel. The scheme came into effect on January 31.



Hear your customer

IMAGE: PIXABAY

Media reports that the central bank's scheme will provide free of cost redressal mechanism for issues raised by aggrieved customers related to digital transactions undertaken by them through non-banking channels, like mobile wallets or tech-enabled payment companies using UPI for settlements.

Service providers have to clearly display the fees and charges for digital transactions on their websites, said the RBI release. Further, the service providers also need to inform consumers about the ombudsman scheme through their offices as well as websites and apps.

Consumer forum tightens noose

In another development, recently the District Consumers Disputes Redressal Forum Hyderabad directed the State

customer-complainant's account. It also said that since no extra amount was found in the ATM after the transaction, it showed that the complainant had received the money.

The bank further contended that it was not a consumer dispute and required the adjudication by a competent civil court.

The forum rejected these contentions and ruled that since the bank had failed to produce the CCTV footage in support of their contention despite the fact that the complainant had approached the bank and the banking Ombudsman within 90 days of the transaction.

The bench held the bank liable for deficiency in its services and ordered the bank to pay Rs 90,000 for the mental agony and inconveniences caused and a further



IMAGE: PIXABAY

Deficiency in services is unacceptable

Bank of India (SBI) to pay Rs 1 lakh to its customer towards compensation and litigation cost for wrongly debiting his account despite the fact that the ATM transaction had failed.

Udaru Sarvotama Reddy, the complainant had tried to withdraw Rs 10,000 from his account at an SBI ATM. However, the transaction was declined due to some technical error. But to his horror, 20 days later the amount has been debited from his account.

When Reddy approached the banking Ombudsman at Hyderabad for redressal of his grievance, the case was closed without any enquiries. He subsequently approached the forum with his complaint under Section 12 of the Consumer Protection Act, 1986. Reddy claimed that there was a deficiency in the services of the bank.

The bank however maintained that the transaction was successful but due to some technical glitch, the amount could not be immediately debited from the

Rs 10,000 for litigation costs. The bank was directed to pay the compensation amount within 30 days, failing which the complainant would be entitled to interest @ 8% per annum.

Conclusion

Consumers today expect efficient and speedy services. They are increasingly becoming aware that they have the right to quality goods and services and are unwilling to compromise on it. The government, on its part, is working to improve consumer grievance redressal mechanism and consumers can now hope for quick and adequate redressal of their grievances. For the service providers like banks, it is time to overhaul their system and rise to meet the expectations of today's customers. ▶

Source: Secondary research and media reports

INDIAN

RETAIL MARKET

Growing, But Need For Consumer Trust

While companies must enlist newer technologies for competitive advantage and to cater to the digital consumer, digitalization has made the consumer concerned about their data privacy. Consumer trust is hence critical to a business' growth

IMAGE: PIXABAY

On a high growth path

A FICCI-DELOITTE REPORT released recently estimates the Indian retail market will grow to \$1,200 billion by 2021 and \$1,750 billion by 2026. The forecast for the country's e-commerce market is also bright with the report estimating it will touch \$84 billion by 2021 and \$200 billion by 2026.

The report titled 'Evolve for Consumer' states that the retail market growth will not only take place in large cities and metros, but also in tier-2 and tier-3 cities.

The organised food and grocery sectors are projected to grow to \$75.1 billion by 2025. Online shoppers are expected to increase from current 15% of the online population to 50% by 2026.

As the FMCG companies and retailers in India continue to evolve at a rapid pace, they are also facing major disruptions down the value chain. In the foreword to the report, Rajat Wahi, partner at Deloitte, writes that innovative solutions, technologically advanced start-ups, hi-tech processes, modernization and digitization of back-end operations, tech-savvy consumers, and a growing internet and smartphone penetration are some of the major factors causing this disruption. He adds, "Along with these, India's macroeconomic factors and favorable demographics are fueling the growth. The supply and demand factors are expected to further accelerate the change of growth in the consumer and retail sectors. In addition, the government is also providing strong impetus to make the business environment more conducive for companies operating in

this space through developments in infrastructure (electricity, transportation, digitization of processes and economy, skill enhancement, Foreign Direct Investment regulations, etc), which is facilitating growth."

In his foreword to the report, Dilip Chenoy, secretary general of FICCI, writes: "While India is one of the world's fastest growing major economy and has immense potential, there is a need to promote participation and involvement of businesses for furthering the cause of nation building and achieving the societal goals of inclusive growth and empowerment of the people. The industry needs to continue with its efforts to ensure that the advantages of technology are available to all sections of the society."

Data is the new oil and today's consumer markets are evolving rapidly with the help of technology in this data led environment. The report says, "In such a highly competitive scenario, companies cannot afford to overlook any aspect of the shopping journey and lag behind in the competitive market."

As the report notes, consumer experience is more crucial than ever before and it calls for brands to constantly innovate in order to offer novel products and services to fulfill modern consumers' demands.

"The connected consumer has evolved to be more informed, demanding, and eager. The consumer now intends to engage with the companies via the platforms that are convenient to them, be it email, phone, chat



IMAGE: PIXABAY

MOST TRUSTED BRANDS

There were a few surprises this year in the BTR 2019 report

IN JUNE THIS year, TRA's Most Trusted Brands Report, India Study, 2019 (BTR 2019) was unveiled in Bengaluru. There was a change in methodology and the ninth edition threw some major surprises. This year the respondents were asked to name the category while naming 183 brands. There were 65 new categories created by the new methodology which had new category leaders.

In a major surprise, Dell, a technology services and products provider, emerged as the most trusted brand. Notably, Dell was at the 6th place last year and Samsung was the most trusted brand. This year Samsung has slid to the 6th place in the list.

In a media report, Dell credited "Purposeful innovation for customers" which is at the core of what Dell does for its win. Dell treats its customers as the ultimate brand evangelists and maintains constant engagement with them for feedback which is then incorporated in its strategy."

Media reports quoted P. Krishnakumar, Sr. Vice President, Consumer & Small Business, APJ, Dell as saying, "This engagement further fuels our goal of delivering the best in class technology and experiences that help build lasting relationship and trust. I believe that this is a sentiment that has resonated well with our customers across the country."

E-commerce giant Amazon, another surprise winner, was declared the most trusted among the Internet brands in India, followed by Google and Facebook.

Amazon is the 4th most trusted brand in India and the only one in the internet vertical among the top 20 brands. The e-commerce player has built its position on the basis of the customer trust it has earned in terms of convenience, price, product selection and overall experience, according to the report.

Amazon's feat is remarkable in the face of the fact that domestic brands dominate India's rapidly growing internet economy across sectors be it retail (Flipkart), food (Swiggy, Zomato), finance (Paytm), healthcare (Practo), education (Byju's), insurance (Policybazaar), transportation (Ola), etc. However, they seem to have been left behind in building customer trust

Interestingly, category-wise (e-retail) Amazon was ahead of Flipkart ranked second even as it was behind Amazon with a 10x gap in the overall ranking of 1000 most trusted brands where it stood at 177.

Flipkart was followed by Snapdeal, Alibaba and eBay ranked 262, 712, and 829 respectively in the ranking.

TRA's Brand Trust Report 2019 is based on interviews of 2,319 "consumer-influencer respondents — 10 per cent of the population that typically influences the balance 90 per cent."

In the internet vertical, 32 internet firms have been ranked with Amazon being followed by Google, Facebook and Hike. OYO is at rank 5, Ola at 6, Flipkart is at 7, Uber is ranked at 14, Big Basket at 16, Zomato at 17, and Paytm at 19.

In the social networking space, Facebook is at the top spot. Foodpanda leads the foodtech category.

In the taxi aggregator space, Ola is ahead of Uber.

However, in overall rankings, OYO is at the 138th spot, Ola at 177th, and Uber at 506.

Chinese tech giant Baidu is leading from the bottom in the internet vertical and is at 873 in overall rankings.

Surprisingly, though WhatsApp may be the most widely used app currently in India, among the 32 Internet brands surveyed, it was the Indian messaging app Hike that ranked fourth in consumer trust, beating WhatsApp, which ranked 10th.

Aviva Life Insurance leapfrogged 451 positions this year to bag 8th most trusted brand spot. State Bank of India is the most trusted bank this year and the 10th most trusted brand. ICICI Bank, which ranked as the most trusted bank for the past eight years, lost its top spot and overall ranked at 27th.

Jeep led among automobile brands and was followed by Maruti Suzuki. Among telecom brands, Airtel, at 11th position is the most trusted telecom brand, while Reliance Jio came 17th and Vodafone-Idea ranked 32nd.

Dove is a first-time entrant into the top 20 and rose by fifty-three ranks from 2018 to take the 13th position this year, making it the most trusted FMCG personal hygiene brand.

Another new entrant in the top 20 rankings is Kangaroo Kids which rose 625 ranks to take the 15th spot.

The rankings reveal that this year there are seven brands of Indian origin, five of US, two from South Korea and Japan, and one each from UK and Canada in the top 20 list.

apps, or social network. The modern consumers expect brands to provide tailored experiences and solutions aligned to their likes,” says the report. It is hence essential for companies to engage the consumers for better connect before, during, and post purchases, the report adds.

The voice of consumers is paramount and brands must channelize all their efforts in understanding the needs of the consumers by analyzing their shopping patterns and behaviors. In addition, the industry must evolve to provide seamless retail channels to the consumers, the report says.

Further, in order to “cater to the connected consumers, companies will have to consider leveraging technology throughout the consumer life cycle to engage with the customers along with performing engagement activities via traditional channels.

This is an era where consumers are spoilt for choice with access to multiple brands, channels and options. To draw customer loyalty, companies will need to go that extra mile and personalize the loyalty benefits for their consumers. Consumer trust is another factor that companies need to vie for and for this they must remain committed to their values, the report added.

But companies need consumer trust to thrive in the digital era

There has been a special push in India to digitalize interactions and transactions with efforts by the government to digitally empower citizens by enabling them to harness digital technologies. Towards this goal of Digital India, the government has launched various e-initiatives like AADHAR, Smart Cities, e-Wallets, etc., and apps to enable seamless services to citizens.

Rapid proliferation of smartphones down to the rural areas, access to the internet and social media enabled by low data tariffs have transformed India. It is today one of the most digitally active and digitally connected countries in the world.

Cloud, Artificial Intelligence, Machine Learning and other such disruptive technologies in the recent years have proved to be game changing, altering the way businesses work and consumers engage.

Rapid digitalization has however made the consumer wary. Increased dependence of consumers on digital services has made access to personal data easy for companies. While consumers' personal data is a minefield for businesses, consumers are learning that it



IMAGE: PIXABAY

Businesses must cultivate consumer trust



Trust is important for
the digital consumer

IMAGE: PIXABAY

has costs involved. They are aware that their personal data in the wrong hands could potentially damage them financially and otherwise. Personal data is being used for various purposes by hackers and criminal organizations and even businesses are data mining to improve the bottom line.

For consumers the primary question is whether they can trust businesses and providers of digital services that they will refrain from misusing their personal data and at the same time keep it secure from hackers.

According to a Microsoft-IDC Study titled 'Understanding Consumer Trust in Digital Services in India', 41 percent consumers in India trust organizations offering digital services to keep their personal data responsibly.

Trust is today an important factor in determining whether consumers interact with an organization. For organizations it is imperative that they instill trust in the customers to be able to remain competitive. Hence an organization must enable infrastructure that promises secure digital data and respects consumers' data privacy.

According to Microsoft and IDC report, there are five elements of trust that consumers take into account when using digital services: privacy, security, reliability, ethics, and compliance. In India, as the study found, the top three priority elements for trust are security (86 percent), privacy (85 percent) and compliance (82 percent).

Given the scenario, any loss of consumer trust can have dire implications for a company. As the study found, more than half (53 percent) of the respondents

would switch to another organization over a breach of trust while using a digital service and 32 percent will stop using the affected type of digital service altogether.

Consumer trust is a critical competitive advantage in the digital world

The study found that while the consequences of the loss of consumer trust can be severe, on the other hand if a company has a trusted digital platform, it can be significantly rewarded.

As per the study, only 7 percent of consumers would take the risk of transacting with an organization that offers a cheaper but less trusted digital platform. Further, 73 percent of consumers would recommend a trusted digital service to others even if the cost is higher.

This has an important implication in a social media driven digitally connected world where word-of-mouth advocacy can make or break a brand.

As is obvious, today an organization's long-term success is dependent on its ability to build consumer trust.

Conclusion

The wide fluctuations in the rankings reveal the consumer mindset. It takes just one episode to erode the trust consumers repose in a brand. It is important hence for brands to constantly engage with consumers to keep a finger on their pulse. Consumer trust is critical for businesses to thrive in the digital age. ▶

Source: Secondary research & media reports

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IMAGE: PIXABAY

Rising consumer awareness is making consumer protection laws stronger

Consumers Find A Sympathetic Ear

Consumer complaints are on the rise as consumers become more aware of their rights and about the authorities that can help them get justice

THE GOVERNMENT OF India has been focusing on consumer grievance redressal quite earnestly these past few years. As is apparent from the themes for National Consumer Day these past few years – “Timely Disposal of Consumer Complaints” in 2018 and in 2016 the focus was on “Alternate Consumer Disputes Redressal” – the government is keen to strengthen the consumer protection framework and empower the citizens.

Consumer protection mechanism

Under the provisions of the Consumer Protection Act, 1986, a three tier quasi-judicial mechanism established at the district, state and national levels was working exclusively on providing simple, inexpensive and speedy redressal of consumer disputes.

In addition to the legislative measures, the Department of Consumer Affairs under the Ministry of Consumer Affairs, Food & Public Distribution, launched an online portal www.consumerhelpline.gov.in to provides a platform to the consumers to register their complaints.

The Department also set up a National Consumer Helpline (NCH) with a toll-free number to handle consumer grievances. The NCH has partnered with more than 450 companies under its convergence program. Complaints concerning these companies are transferred to them directly online for redressal. Sector specific complaints are also forwarded online to the regulators/government departments concerned.

Under the Department of Consumer Affairs, the Bureau of Indian Standards (BIS) BIS is the National Standard Body of India for the harmonious development of the activities of standardization, marking and quality certification of goods. It has a well-established complaint redressal system to redress the grievances received from various consumers of BIS certified products as well as services. Initially, the complainant-end investigation is carried out to establish the genuineness and the nature of the complaint. Samples if available are also drawn for testing. This is followed by investigation at the licensee-end for examination of records of the lot/batch of the complained material and the overall assessment of the licensee's performance. Based on the above, the licensee is advised to arrange for redressal by way of replacement/repair depending upon the product under complaint. Actions are taken against the licensees includes Stop Marking and cancellation of license.

The Consumer Protection Act, 2019 aims to further strengthen this mechanism through various measures.

It is hence not surprising to see consumer filing complaints against established companies and these being settled quickly and with adequate compensation. Following are some of the recent consumer grievance cases that were settled in an exemplar fashion.

The buck stops here: Stores can't charge for carry bags

Take for instance the case of carry bags. It has become



IMAGE: PIXABAY

It is the responsibility of the stores to provide free carry bags

customary for shops to offer a cloth or paper bag – at a price – since plastic bags are banned in India. This has become just a way of harassing hapless consumers who have to perforce buy one or carry their shopping in their arms. The shops meanwhile were getting away fleecing consumers with impunity.

However, it took just a few aware and bold consumers to take up this issue with the concerned authorities for an exemplary verdict to be pronounced.

Saurav Kumar, a resident of Panchkula, filed a complaint with the consumer redressal dispute forum upon being charged Rs 18 for a carry bag at a Big Bazaar outlet.

Responding to his complaint, the Chandigarh State Consumer Disputes Redressal (SCDRC) Forum slapped a fine on the retail chain Big Bazaar for charging customers for carry bags. The SCDRC termed their act as 'deficiency in services' and levied a fine of Rs 11,518 on the retail chain.

The consumer, Saurav, stated in his complaint that when he had visited Big Bazaar to purchase goods, he was asked to pay Rs 18 for a carry bag. He objected to paying for a carry bag and told the billing desk cashier that he cannot be compelled to buy a carry bag. Subsequently, Saurav approached the forum which issued a notice to Big Bazaar.

Although, store officials rubbished the allegations in their plea against the forum's decision; it was rejected by the consumer forum. The forum said it was not only

carelessness but a deficiency in service on the part of the chain store.

The SCDRC statement read: "Big Bazaar owns a chain of stores throughout the country which are visited by the consumers in large numbers. Despite earning huge profits, innocent customers are being compelled to pay for carry bags by Big Bazaar. This is not just carelessness but a deficiency in services."

The fine imposed on Big Bazaar includes the refund of carry bag charges, Rs 500 as compensation to the affected customer, Rs 500 as the legal expenses besides Rs 10,000 as consumer Legal Aid fund.

Earlier too, Chandigarh Consumers forum had fined stores and brands for charging for carry bags. Domino's Pizza was fined Rs 10,500, Lifestyle Rs 13,000, Westside Rs 13,000 and Bata India Rs 11,000 respectively after they were found charging money from consumers for carry bags.

As regards the decision in Bata India case, the forum had observed that brands and companies used customers to endorse themselves by printing their messages and logos on the carry bags, that too for a price which is not justified and against consumer rights.

Bata India Limited was directed to pay Rs 9,000 to the complainant for deficiency in services. The action came when the aggrieved consumer filed a complaint at a Chandigarh consumer forum over being asked to pay Rs 3 for a paper bag by a Bata India store.

Complainant Dinesh Prasad Raturi, a Chandigarh resident, informed the consumer forum that he had purchased a pair of shoes from a Bata store located in Sector 22D, the store charged him Rs 402 which also included charges for the paper bag.

The complainant told a Chandigarh consumer forum that Bata India was endorsing its brand on the bag and charging a consumer to pay for it was not justified.

Raturi sought a refund of Rs 3 and compensation for deficiency in services.

Though Bata India refuted the allegations of deficiency in services; the forum stated that compelling a customer to pay for a paper bag was a clear deficiency in service as it was the store's duty to provide a free bag to the customer who had purchased their product.

The forum directed Bata India to provide free paper bags to its customers, observing that if the companies were really worried about the environment, they should provide free environment-friendly bags to their customers.

It also directed Bata India Limited to refund the cost

of the bag (Rs 3) and litigation charges, i.e. Rs 1000. It also directed Bata India to pay Rs 3000 as compensation to the customer for the mental agony caused by deficiency in services. Bata India was also directed to deposit Rs 5,000 in the legal aid account of the State Consumer Disputes Redressal Commission.

A much-needed reprieve for homebuyers

In another decision with far reaching impact, the National Consumer Disputes Redressal Commission (NCDRC) said that homebuyers can seek full refund with 10% interest if flats get delayed beyond 1 year from the promised date of final delivery.

The order of the Commission came in the wake of incessant delays being faced by homebuyers in taking possession of their flat from various builders.

The NCDRC order came on a plea by Delhi resident Shalabh Nigam, who had bought a flat in the luxury housing project, Greenopolis, Gurgaon in the 2012. The project was being developed by Orris Infrastructure and 3C company and Nigam had paid Rs 90 lakh against Rs 1 crore, which was the total cost of the flat.

The flat was to be handed over to him within 36 months along with a grace period of six months valid from the date of allotment.

In the past too though the supreme court and various consumer courts had held that end buyers can't be made to wait endlessly to take the ownership of their flats, no clarity on the timeline of the refund was provided.

The NCDRC by giving a timeline on refund has made this order more decisive and impactful.

"It is now established that allottees have the right to ask for a refund if

possession is inordinately delayed, particularly beyond one year," NCDRC said, as reported in the media.

Nigam had approached NCDRC through his advocate seeking either the time-bound possession of the flat or a refund. Nigam however was interested in taking possession of the flat. The builder was directed by the Commission to finish the construction and deliver the flat, complete in all respects as per the agreement by September 2019 end after getting occupancy certificate.

Further, the Commission ordered that the builder to compensate the buyer at the rate of 6% per year on the total deposit for the delayed period of time even after transferring the possession. In case the builder failed to comply with order and could not deliver the flat within the prescribed deadline by the Commission, the builder would have to refund the entire amount with a 10% interest; the Commission ruled.

The SCDRC statement read: "Big Bazaar owns a chain of stores throughout the country which are visited by the consumers in large numbers. Despite earning huge profits, innocent customers are being compelled to pay for carry bags by Big Bazaar. This is not just carelessness but a deficiency in services."



Homebuyers can seek full refund if flat delayed beyond one year

IMAGE: PIXABAY

The builder countered the order saying that Nigam had stopped paying instalments and in case the refund is ordered, there will be a forfeit of 10% of the amount as earnest money, which is as per the agreed upon clause. His argument was rejected by the Commission which ruled that the instalments were paid up to the seventh stage and the buyer had discontinued giving further payments as there was no headway in the construction process.

No to power plays

In another exemplary case, the Consumer Disputes Redressal Forum ordered a power firm to pay Rs 35,000 as compensation for faulty bill to the consumer. The forum ordered Torrent Power Limited to restore the snapped power supply to the flat of Rajendra Jain, a resident of Kamatghar in Bhiwandi, who was the complainant in the case.

Faulty bills are a constant source of harassment for power consumers. Though the fault lies with the power company's it is the consumer who is required to run from the pillar to post to get the fault rectified. In the meantime, the power company disconnects the power supply leading to undue mental and physical harassment for the consumer.

The bill in question was issued in 2008. The forum in its order observed that the complainant is entitled to

"reasonable compensation" for the "mental agony" caused by deficiency in service.

Jain had complained that the company had issued him a bill dated April 19, 2008 mentioning the meter number which doesn't belong to him. Jain contended that he was forced to take another flat on rent after the company disconnected his power supply.

The power firm, however, denied the allegations and contested the Rs 3,30,000 claim raised by him on various grounds.

The forum ordered: "We quantify the amount of compensation at Rs 25,000 and the cost of Rs 10,000 which has to be payable by Torrent Power Co. Ltd."

Prescribing a bitter pill

In a case of medical negligence, a private hospital was ordered to pay Rs 2 lakh relief for wrong treatment of a patient.

The complainant had alleged that owing to the faulty transfusions and wrong diagnosis by the doctor, she had developed kidney problems. The judgment by the District Consumer Disputes Redressal Forum, Chengalpattu, came five years after the complainant faced prolonged illness due to the wrong treatment. In its order, the forum directed the hospital to pay her a compensation of Rs 2 lakh for negligence during blood transfusion that resulted in kidney problems.



IMAGE: PIXABAY

Faulty bills? The power company can be penalized

The petition was submitted by R Joyce of Melkottaiyur. She had complained that on August 28, 2014, on the doctor's advice, she underwent blood transfusion at Sri Meenakshi Nursing Home at Kandigai near Korattur. It had been suggested to alleviate pain in her breasts. Joyce paid Rs 11,500 for the treatment but there was something wrong with the transfusion. The treatment was done for a second time at the nursing home's own clinic at Perungalathur the next day.

Joyce complained that because of the faulty transfusions and wrong diagnosis by the doctor, she

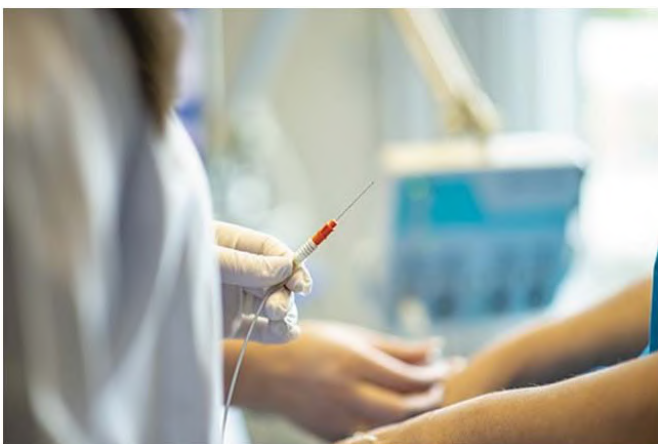


IMAGE: PIXABAY

Medical negligence attracts a hefty penalty

developed kidney problems. Following severe pain, she was admitted to a private hospital in Tambaram where surgery had to be performed on September 2, 2014 and she was discharged on September 18.

Joyce sent a legal notice to Sri Meenakshi Nursing Home and filed a petition in the consumer disputes redressal forum. She sought a compensation of Rs 4.5 lakh.

The hospital however denied the allegation and claimed to have provided proper treatment to the patient. They claimed that the patient was present there only for a few hours.

However, the forum noted that if the complainant already had kidney problems, the hospital might have recorded the fact in the medical records while discharging her. However, this was not done.

Conclusion

Consumer awareness is on the rise in India and an environment of transparency has emboldened Indian consumers to approach the relevant authorities to get their grievances registered. There is a new boldness in the consumers and they no longer hesitate to take on mighty corporations for wrongdoing. Consumers are demanding justice and the consumer grievance redressal mechanism on its part is working hard to ensure the aggrieved get their dues. ▶

Source: Secondary research & media reports

Consumer Forums Come Down Hard On Erring Medical Fraternity

Consumer forums' tough stance on medical negligence cases can embolden hapless consumers to seek justice against errant hospitals and doctors

CASES OF MEDICAL negligence are quite common in India. From misdiagnosis to wrong treatment to refusal of treatment and much else, many consumers, especially those from the less privileged classes have a harrowing tale to tell.

Things are changing however as consumers become more aware of their rights and the mechanism in place to address their grievances. Consumers are no longer hesitating to drag culprits to consumer courts in a bid to get their dues.

Five years ago, a woman's health was jeopardized, and she faced prolonged illness due to a faulty treatment. She filed a case with the District Consumer Disputes Redressal Forum, Chengalpattu. According to her petition, R Joyce of Melkottaiyur, had undergone a blood transfusion at Sri Meenakshi Nursing Home at Kandigai near Korattur, on August 28, 2014. The transfusion had been suggested by doctors to alleviate pain in her breasts. Joyce had paid Rs 11,500 for the treatment. However, there was something wrong with the transfusion and it was done a second time at the nursing home's own clinic at Perungalathur the next day.

Joyce alleged that owing to the faulty transfusions and wrong diagnosis by the doctor, she developed kidney problems. The pain was so acute that she was unable to bear it and was admitted to a private hospital in

Tambaram, where surgery was performed on September 2, 2014. Joyce was discharged on September 18.

She then sent a legal notice to Sri Meenakshi Nursing Home and subsequently filed a petition in the consumer disputes redressal forum. Joyce was seeking a compensation of Rs 4.5 lakh.

The hospital counsel denied her allegations saying that proper treatment was given to Joyce who he said was present there only for a few hours.

However, the forum directed the hospital to pay Joyce a compensation of Rs 2 lakh for negligence during blood transfusion that resulted in kidney problems.

The forum observed that if the complainant had already had kidney problems, the hospital might have recorded the fact in the medical records while discharging her.

The verdict though came five years after the case, compensated the consumer amply.

In another case of medical negligence, the Delhi State Consumer Disputes Redressal Commission, revised the compensation amount awarded to a woman whose mother died due to medical negligence by five times. It ordered the hospital to pay Rs 10 lakh as against the original compensation awarded of Rs 2 lakh.

According to the complaint, Rajani Ranga had

brought her mother to DR baba sahib Ambedkar Hospital on April 16, 2007 for treatment. After much delay Ranga's mother was administered an injection. Soon after, Ranga's mother felt a burning sensation and excruciating pain in her left hand. But the doctors paid no heed despite repeated requests from Ranga.

When the patient's condition worsened, she was referred to RML or AIIMS. The patient was however taken to Sir Ganga Ram Hospital but died there during treatment.

A compensation of Rs 2 lakh was awarded to Ranga by a district consumer forum that found Dr Baba Sahib Ambedkar Hospital negligent in providing timely treatment. It said there was a delay on the part of the doctors in attending to the patient.

The forum also said there was failure on the part of the hospital in administering treatment after complications arose post the injection.

While the order was challenged by the hospital, Ranga sought enhancement of the compensation to

reports showed high levels of thyroid hormones at 9.59 PCH.

Begum's doctor asked her to get another thyroid test done at a different diagnostic center, YCLIN. In this test the TSH was found to be 2.86 PCH.

Subsequently, the diagnosis by the laboratory, showing that the patient has a thyroid problem, was struck down by test reports from two different laboratories.

The forum ruled that the test results of other laboratories clearly showed that the accused diagnostic center had wrongly diagnosed the complainant. This had caused her mental agony while she was pregnant. Begum was forced to run from pillar to post to obtain a second opinion from different laboratories.

“On account of the laboratory's negligence it would be justified that it pays compensation of Rs 1 lakh to the complainant for the mental agony caused along with a cost award of Rs 10,000, as the complaint was made to approach this forum,” the order stated.

Medical negligence under the scanner

Diagnostic labs must spruce up their act



IMAGE: PIXABAY



IMAGE: PIXABAY

Rs 50 lakh. The state commission relied on various Supreme Court and National Consumer Disputes Redressal Commission judgments and said the consumer bodies have jurisdiction to award compensation depending upon established facts and circumstances of the case.

In another case of misdiagnosis, the District Consumer Disputes Redressal Forum-III Hyderabad ordered a laboratory to pay a compensation of Rs 1 lakh to the aggrieved consumer.

The case dates back to January 26, 2017, and was filed by Afreen Begum, a resident of, Hashmatpet, Secunderabad. According to her complaint, when she went to a laboratory, Vanaja Diagnostic Centre (VDC), for diagnostics test of the thyroid (PCH), the centre's

Conclusion

It is heartening to note consumer forums taking a strict view of medical negligence. Rampant medical scams, charging exorbitant fees and poor treatment of hapless patients generally goes unreported. In times of medical crisis, consumers are too emotionally vulnerable and are at the mercy of the hospitals and doctors. Wrong lab tests are a bane of medical treatment and often doctors ask patients to go for a second and a third test to reach the correct diagnosis. Such rulings open up the way for patients to counter the rampant practice of misdiagnosis and can go a long way in emboldening consumers to take erring medical fraternity to consumer courts.

Source: Secondary research & media reports

Beware Of The **INFORMED CONSUMER**

Consumers in India are refusing to bow to the diktats of companies and service providers. They are exercising their right to be heard and demanding compensation for mental agony and physical loss from recalcitrant companies



CONSUMER CASES ARE getting curiuser and curiuser. As consumers in India become more rights conscious, they are not willing to settle for any shoddy service. They are actively seeking grievance redressal through consumer disputes redressal mechanisms all over the country over issues spanning across sectors. What's heartening is that they are also succeeding in securing rightful compensation.

Air India accused of hurting religious sentiments of passenger couple, fined Rs 40,000 for serving non-veg food to vegetarian couple

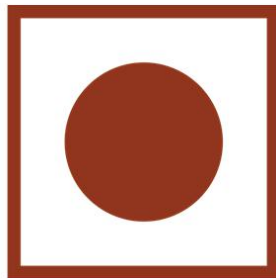
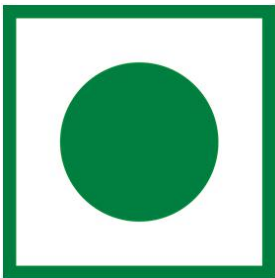


IMAGE: WIKIPEDIA

Food packages must be clearly marked as veg or non-veg

The national carrier, Air India, has been in the news for all wrong reasons. It is not surprising then that it ended up serving non vegetarian food to a strictly vegetarian couple despite their order otherwise and in the process hurt their religious sentiments. Chandra Mohan Pathak, a resident of sector 121 of Mohali, Punjab, had booked tickets for himself and his wife from New Delhi to Chicago on June 17, 2016, and for his return journey from Chicago on November 14, 2016.

Pathak had given clear instructions to the airliner that he and his wife should only be served vegetarian food. The couple's journey from New Delhi to Chicago's uneventful, but on their return journey, the food served to them was non-vegetarian. The couple, while eating the food noticed something wrong with the taste of the food and to their horror eventually found meat in the food.

The Pathak couple brought this anomaly to the notice of the cabin crew immediately and noted that it was difficult to distinguish vegetarian food from non vegetarian food as there was no clear marking on the food packs.

Pathak filed a complaint with the Punjab Consumer Disputes

Redressal Commission which not only slammed Air India for the faulty services but also increased the fine amount by four times from Rs 10,000 to Rs 40,000. Further, the consumer forum directed the national carrier to pay Rs 7,000 as legal expenses to the couple.

Air India was directed to deposit the fine amount within a period of 30 days of getting a copy of the commission orders and was warned that their failure to comply with the order would make them liable to pay an interest of 12% on the penalty amount.

Failing to find a suitable groom lands a matrimonial firm in soup, asked to pay Rs 62,000 to client

In a unique case which could be the start of troubles for the many matrimonial firms, an aggrieved father, Surinder Pal Singh Chahal, filed a consumer case against one Wedding Wish Pvt Ltd that had suggested "manglik" boys for his daughter, but failed to deliver one.

The wedding business is big business in India as shaadis are taken seriously in the country by parents especially. In a case that both amuses and at the same time exposes the shoddy business activities of the many mushrooming matrimonial sites that make a profit on the desperation of their clients and often fail to deliver, in Chandigarh a parent whose request to find a match for their child failed to materialize, dragged the matrimonial agency to consumer court. Surinder Pal Singh Chahal of Mohali, the father of a girl approached District Consumer Disputes Redressal Forum for redressal. Chahal was thoroughly disappointed with Wedding Wish Pvt Ltd, the matrimonial agency, for its inability to find the right bridegroom for his daughter and filed a complaint against them at the forum.



IMAGE: PIXABAY

The days of misleading matrimonial firms are over

The result: the wedding company had to not only refund the family their Rs 50,000 deposit (with 9 percent interest) but also pay Rs 12,000 as compensation and litigation expenses.

Since 2017, Chahal with his wife Narimder Kaur were on the lookout for a suitable boy for their daughter Noreen. They had also advertised in the local newspaper. The couple was approached by Wedding Wish who had seen the ad seeking a match for their daughter. Later in the same year, Noreen signed an agreement with the matrimonial agency and became a royal member by making a payment of Rs 50,000. The family had indicated their preferences for the boy to the agency which included – he must be from the medical background as Noreen was also a government doctor, from the Jatt community and living in or in the vicinity of Chandigarh.

The agency uploaded 18 profiles after nine months,

but none of them matched the criteria specified by the Chahal family.

In his complaint Chahal stated that none of the profiles shared by the matrimonial agency were even close to what he was looking for and in fact were “totally different”. Thus “not even a single profile met with their requirements”.

Some of the prospective grooms suggested by the agency were also “manglik” (believed to be unlucky for the spouse). Chahal alleged that their most basic requirement of having the prospective groom from within a radius of 60 km was “intentionally failed”.

Chahal then terminated the agreement and sent a legal notice to the agency on October 22, 2018. When the firm failed to respond, Chahal then took the case to the consumer forum.

The company on their part responded to Chahal's complaint stating that their responsibility was limited to



IMAGE: PIXABAY

Lesson in responsibility

“upload matching profiles in the accounts of clients as per the preferences given in the registration form”. They contended that they make a sincere effort to provide suitable matches to the clients. They in fact go beyond their call of duty to provide additional profiles to the clients free of cost.

The consumer forum however was not satisfied and observed that “absurd profiles were nothing but a waste for the complainant.” The forum also said that it had not only wasted the precious time of the complainant but also caused them gross mental agony and physical harassment.

The forum observed that the company had failed miserably in their professional services by not providing a suitable match for the girl leading to inordinate delay in fixation of her marriage.

The District Consumer Disputes Redressal Forum directed the matrimonial company to refund ₹50,000 with 9% interest and Rs 12,000 as compensation and litigation expenses to the Chahals. The agency was asked to refund the money with interest to be paid from September 26, 2017, till its realization. An amount of ₹7,000 was to be paid as compensation for causing mental agony and harassment on account of deficiency in service and ₹5,000 as litigation expenses.

School asked to pay Rs 50,000 for failure to issue transfer certificate

The delay in the issuance of transfer certificate to a student of class IX caused her to lose a year and made the NCDRC fume.

Schools in general and private schools in particular seem to exercise an extra judicial authority on parents forcing them to toe the line more often than not. Parents generally give in to their unreasonable demands, from arbitrary fee hike to over the top expenses for extra-curricular activities, for the fear of offending the school authorities and putting their ward in the line of fire.

In a decision that would force schools streamline their operations and become more responsible, a National Consumer Disputes Redressal Commission (NCDRC) bench, upheld the decision of the State Consumer Disputes Redressal Commission (SCDRC) to impose Rs 50,000 fine on Doon Valley International Public School, Himachal Pradesh, for not issuing transfer certificate on

In 2005, a complainant, a class IX student, had approached the school for a transfer certificate. The school however did not furnish it to her on time and said that she was poor at studies. The NCDRC panel however noted that the student's academic performance had no relation with issuing a factually correct school leaving certificate and that it was nobody's case to show her as a "good student" in the transfer certificate.

time to a class IX student who consequently lost an academic year. Coming down heavily on the school, NCDRC directed it to pay Rs 50,000 to the aggrieved student.

In 2005, the complainant, Ravleen Kaur, a class IX student, had approached the school for a transfer certificate. The school however did not furnish it to her on time and said that she was poor at studies.

The NCDRC panel however noted that the student's academic performance had no relation with issuing a factually correct school leaving certificate and that it was nobody's case to show her as a "good student" in the transfer certificate.

The commission pulled up the school saying it could have behaved more responsibly at least upon filing of complaint by the student's parents. It upbraided the school for "unnecessarily" and "unwarrantedly" acting in an intransigent manner, which resulted in Kaur losing a precious academic year.

The panel observed that school authorities cannot act in an arbitrary or casual manner in issuing a normal and factually correct school leaving transfer certificate. It said that such a certificate concerns the career of a student and should be issued on request with due responsibility, and at the earliest.

Upholding the state commission's order, the NCDRC directed the school to pay Rs 50,000 along with litigation costs. It came down heavily on the school for its "deficient services" and for indulging in "unfair trade practice by withholding Kaur's transfer certificate".

In its decision, the state forum had awarded monetary compensation to Kaur while noting that it cannot turn the clock back, but she should be compensated for the year lost because of inaction on the part of the school.

Conclusion

Service providers and companies must take note that India's consumers will not allow them to ride roughshod over their rights. With the backing of a strong consumer disputes redressal mechanism, they are now ready to venture into unchartered waters to secure their rights. ▶

Source: Secondary research & mediareports

INDIA'S CHANGING CONSUMER

Indian consumers are undergoing a metamorphosis where traditional interests are being replaced by tastes and trends dictated by the changing era

CONSUMER ATTITUDES IN India are changing, says a new survey by Boston Consulting Group's Center for Customer Insight (CCI). Titled "A Survey Designed to Uncover Future Consumer Trends", this report aims to shed light on consumer trends in urban parts of India, and is based on the survey of people living in the biggest metro areas, as well as in tier 1, tier 2, and tier 3 cities.

Exposure to technology and new ideas has made people move away from spending on traditional interests like home to spending on experiences, and customized products, the report says.

The report points to some well-known and some new trends among Indian consumers. For instance, information centered shopping which is now a well-known trend to the consumers' preference for renting than owning. The 10 trends shaping Indian consumer as follows.

Information-centered shopping: Indian consumers have made information gathering an integral part of their shopping experience. Before taking a decision on buying, they invest a lot of time researching on the

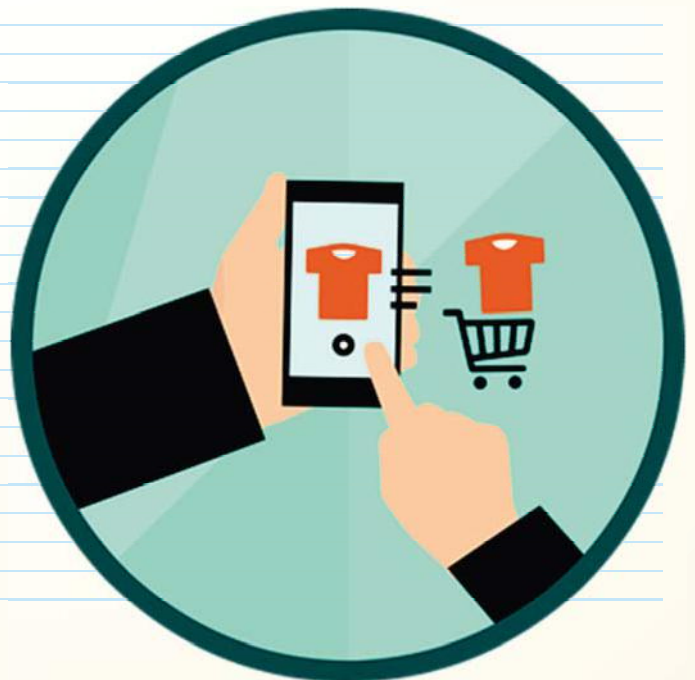


IMAGE: PIXABAY

Shopping is a considered decision



Staying in tune with the trends

IMAGE: PIXABAY

product/service. The report says 85% of consumers check at least two data points (beyond prices and discounts) when they're buying something, and roughly 50% do some sort of online research.

Shopping to Stay Trendy: Shopping is no longer need driven, rather it is being dictated by trends. The survey found more than 60% of respondents in the past year, in at least one category, had purchased something because it was trendy and they felt like upgrading.

Adoption of Time-Saving Products and Services: As lifestyles change, the marketplace has adapted to the emerging needs of consumers. People are opting for end to end service providers or shopping online for grocery to furniture to save themselves multiple trips to the market. According to the survey, 57% of urban Indians in the recent past have paid for a product or service that saves them time.

A Full-On Embrace of Health and Wellness: Health is no longer a supplementary expenditure. It has taken center stage and conversations on health and wellness dominate the Indian consumer space. The survey found 57% of consumers now spend on health and wellness. This includes 46% of consumers who are spending on services such as health checkups, gym memberships, and diet consultations, and 40% of consumers who are spending on healthier food.



Believing in health is wealth

IMAGE: PIXABAY

Growing Interest in Customized Products: Mass produced goods are now passé. People seek products that reflect their individual personality and taste. The survey found 56% of the respondents had paid a premium for customization in at least one category in the 12 months prior to the survey.

The Rise of the Female Decision Maker: Woman power is finally here as education gap between genders have almost but vanished. With this, women are now emerging as the final decision makers in the majority of

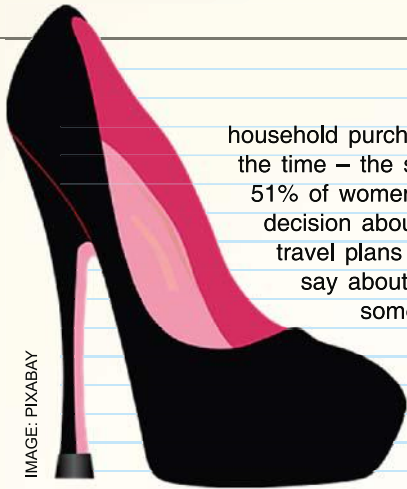


IMAGE: PIXABAY

household purchasing decisions – 54% of the time – the survey found. Not only this, 51% of women make the ultimate decision about their families' leisure travel plans and 44% have the final say about bikes and scooter. That's some big achievement!

A Preference for Indian Brands over International Ones: The fascination for foreign brands seems to be diminishing among Indian consumers. With

Customization is the key

nationalism a dominant theme politically and repeated appeals to buy local goods by the nationalist brigade, the survey discovered that in Indian retail stores, locally produced products have prominent shelf positions with 50% of Indian consumers ready to bypass international brands in favor of an Indian brand in at least one category. The trend is strongest in food, including staples and packaged beverages where the preference for Indian brands is 47% and 37%, respectively, the survey report says.

IMAGE: PIXABAY

Valuing Experiences over Products: It's all about experiences for the Indian consumer. The survey reported that about four-fifths (77%) of the respondents paid for three or more different types of experience last year. Travel was the top paid experience, and entertainment—including concerts, plays, and movies—was second. While (53%) said that increased



Travelling is the top experience



From cars to tea, women hold the key

IMAGE: PIXABAY

household income allows them to pay for the experiences; but affordability isn't the only criteria for experience seekers. The survey found 37% respondents finance their experiences by trading down in certain product categories, including jewelry, mobile phones, apparel, and home furnishings.

Exclusivity Adds Value: While value for money, best price good quality at reasonable price dominate purchase decisions still, 37% of urban Indians value exclusivity with regard to eyewear, apparel, and select electronic items; whereas for 14% of female consumers an item of apparel they had purchased provided value for the money because it was an exclusive brand that increased their social status.

Renting over Buying: Renting over owning is becoming a big trend in India. When presented with a list of products that are traditionally purchased—as varied as kitchen appliances, clothes, and furniture—17% of the survey respondents said that they had rented, rather than purchased, one of the items in the past year, while a quarter said that they would consider renting in the future.



No herd mentality here

IMAGE: PIXABAY



IMAGE: PIXABAY

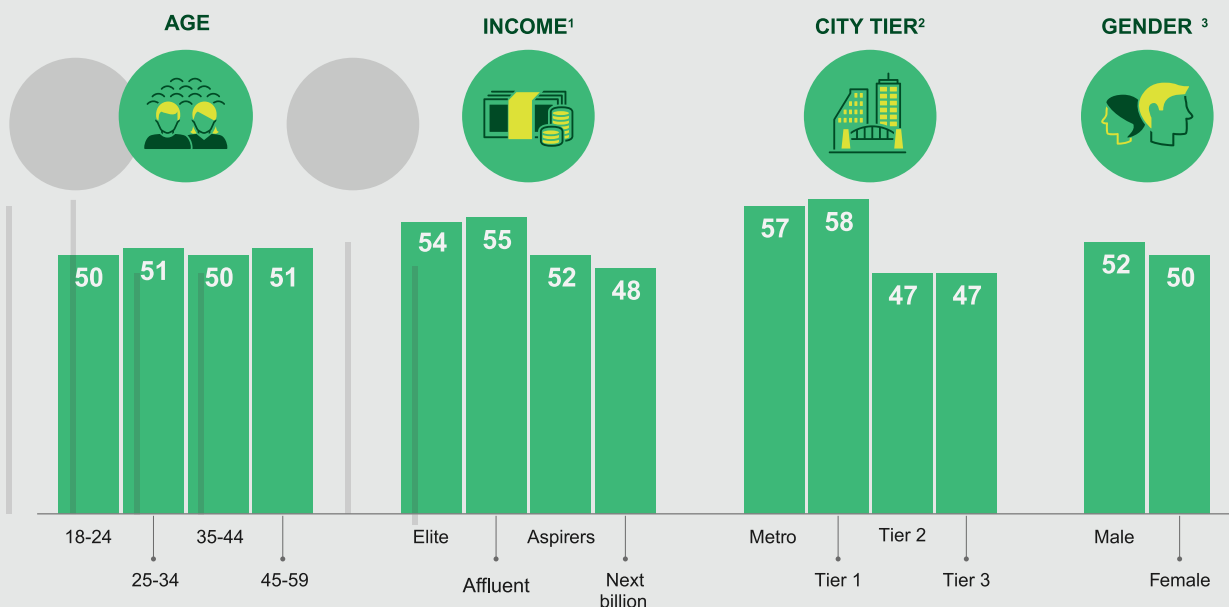
Ownership is old fashioned

Conclusion

The Indian consumer is evolving with the changing times. They are no longer holding on to traditional ideas and reasons for purchase. Gone are the days when a purchase was dictated by traditional value systems. The new Indian consumer is bold and ready to experiment with newer formats. ▶

The Behaviors Are Being Adopted by Every Type of Consumer

CONSUMERS EXHIBITING BEHAVIORS: BY AGE, INCOME, CITY TIER, AND GENDER (%)



Source: BCG analysis.

Note: Percentages reflect the average adoption of all ten trends.

¹ Annual household income: elite = greater than \$30,800; affluent = \$15,400 to \$30,800; aspirers = \$7,700 to \$15,400; next billion = \$2,300 to \$7,700. The income bands reflect a conversion rate of \$1 = ₹65.

² City population: metro = greater than 4 million; tier 1 = 1 million to 4 million; tier 2 = 500,000 to 1 million; tier 3 = 100,000 to 500,000.

³ The "rise in the female decision maker" trend was omitted for gender analysis.

Ten Emerging Behaviors of Indian Consumers



Source: BCG analysis.

Note: The survey was limited to urban consumers; the renting question excluded real estate.

Source: Secondary research & mediareports

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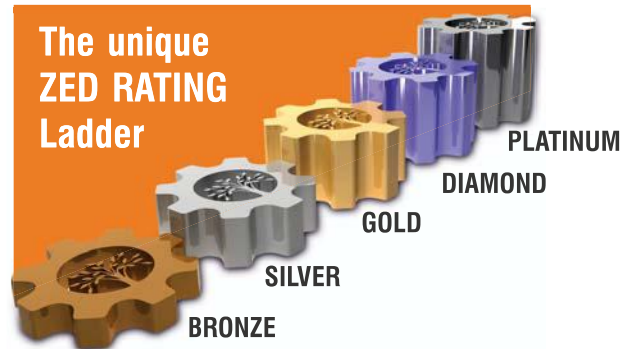
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<https://goldmancommunications.com/>



Certification Scheme

A roadmap to
World-class manufacturing



HIGHLIGHTS

- ⚙️ A scheme by Ministry of MSME, Govt. of India
- ⚙️ Certification on the systems and processes of MSMEs
- ⚙️ Handholding MSMEs towards world class manufacturing
- ⚙️ Special emphasis on MSMEs supplying to Defence Sector
- ⚙️ Direct subsidy to participating MSMEs
- ⚙️ Creating a credible database of MSMEs for OEMS/CPSUs/Foreign Investors under "Make in India initiative"
- ⚙️ Quality Council of India (QCI) to function as the NMIU (National Monitoring and Implementing Unit) of the scheme

"Let's think about making our product which has 'Zero Defect'; so that it does not come back (get rejected) from the world market and 'Zero Effect' so that the manufacturing does not have an adverse effect on our environment"

SHRI NARENDRA MODI
Hon'ble Prime Minister



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