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# THE AWARE CONSUMER

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## NATIONAL CONSUMER DAY

24 December, 2020

## THE SUSTAINABLE CONSUMER

The decade of the 2020s is our last chance to limit global warming,  
in line with the Paris Agreement.



### RESEARCH FEATURE

Comparison of the  
Aware Consumer State Awards  
Over the Years

### INTERVIEW

Shri Arun Singhal, IAS  
CEO, FSSAI



**PLUS**

**ROUND UP • MY MARKET • THE PRESCRIPTION**



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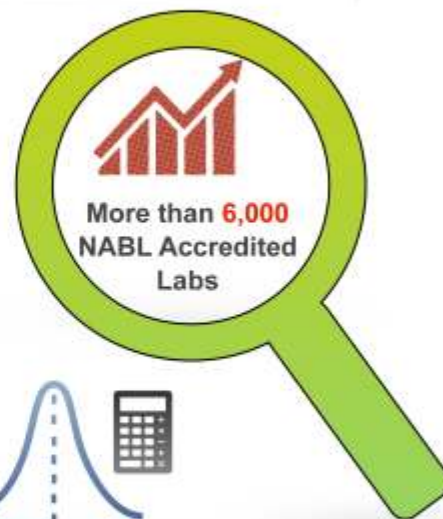
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MESSAGE FROM PUBLISHER & EDITOR

# Don't Keep Calm, **Its National** Consumer Day!

**INDIANS ALWAYS STICK** to their roots, not only with culture and traditions, but also when it comes to origins and ancestry. The World Consumer Day pays tribute to the historic date - December 24th, 1986 when the President of India gave his assent to the Consumer Protection Act and a gazette notification was issued to this effect.

The Act was a historic milestone as it empowered the consumers to fight for their rights and instituted effective safeguards against exploitation in the form of defective goods, deficient services and unfair trade practices. Since then, 24th December is celebrated as National Consumer Day as an annual reminder to the government, manufacturers, traders, service providers and corporates that undercutting the rights of consumers is tantamount to social injustice.

The National Consumer Day reinforces the consumer movement in the country even as it seeks to spread awareness about the rights and needs of the consumer – specifically the right to safety, right to be informed, right to choose, right to be heard, right to seek redressal and right to consumer education.

Every year this day is celebrated on a specific theme and all the events, discussions and conferences are centered on the said topic. At times,

the Ministry of Consumer Affairs, Food and Public Distribution also announces new schemes and ideas for protecting consumer rights.

Last year's theme focused on 'Alternate Consumer Grievance/Dispute Redressal' while the theme for 2018 was 'Timely Disposal of Consumer Complaints'. The National Consumer Day 2017 ran with the theme 'Emerging Digital Markets: Issues & Challenges for Consumer Protection'; in 2016 it was pivoted on 'Alternate Consumer Disputes Redressal', while 2015 was all about 'Safe and Healthy food: Combating Food Adulteration'. 2012 actually kept the limelight on 'Consumers! Discharge your Responsibilities: Assert your Rights!'

Prof. Bejon Kumar Misra

Publisher & Editor

[bejonmisra@theawareconsumer.in](mailto:bejonmisra@theawareconsumer.in)

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Ensures prickly heat rash/boils do not lead to fungal infection	✓	✗
Proven long lasting solution* and not temporary relief	✓	✗
Effective against itching, irritation, redness and rashes caused due to fungal infections	✓	✗

**1 EXPERT SOLUTION FOR 4 SKIN PROBLEMS**



**PRICKLY HEAT ~**



**REDNESS**



**RASHES**



**FUNGAL INFECTION**

# Cheer For Consumers In 2020 !

The Consumer Protection Act, 2019 has introduced the revolutionary concept of product liability and institutes strict penalties for misleading advertisements, especially on celebrity endorsements.

**IT IS THAT** time of the year when India commemorates the National Consumer Day. Observed every year on 24th December, this is a reminder to the government that protecting the interests of the consumers should always remain one of their core activities.

As the National Consumer Day was primarily invoked to highlight the importance of the consumer movement in the country, this year marks a special turning point. There will definitely be a radiant hue to the ceremonies and celebrations riding on the tails of the New Consumer Protection Act finally coming into force on July 20th, 2020.

Circa 1986, the newly instituted Consumer Protection Act was definitely a landmark legislation with its 3-tier legal remedies and financial compensations but the spate of dynamic changes and digitization in the marketplace had slowly made it lose its relevance. The consumers continued to be vulnerable in the face of new challenges despite

progressive amendments to the act. It was high time for a complete overhaul and the Modi government tackled the emerging consumer issues with its ground-breaking Consumer Protection Act, 2019.

The key highlights of the new law is the establishment of Central Consumer Protection Authority to investigate consumer law violations and take suo moto actions, recall products, cancel licenses and file class action suits. It broadens the definition of the consumer to bring e-commerce transactions into the fold. The pecuniary jurisdiction is enhanced even as it embraces convenience in the form of e-filing of complaints. The new Act has introduced the revolutionary concept of product liability and institutes strict penalties for misleading advertisements, especially on celebrity endorsements.

There is much to rejoice as we can finally look forward that the consumer doesn't have to beware and will get his due of being treated like a king! ▶

15

RESEARCH FEATURE

## COMPARISON OF THE AWARE CONSUMER STATE AWARDS OVER THE YEARS



THE AWARE CONSUMER  
STATE AWARDS

The 'Aware Consumer State Awards' is the first initiative led by a non-government organization, attempting to consolidate comparable data on various parameters of governance.



24

HORIZON

## CHALLENGES TO THE CENTRAL CONSUMER PROTECTION AUTHORITY



On 23rd July, 2020, the Central Government notified in the Official Gazette that the Consumer Protection Act, 2019 will come into force.



33

INTERVIEW



Shri Arun Singhal  
IAS  
CEO, FSSAI

37

MY MARKET

## EVOLVING TRENDS IN CONSUMER BEHAVIOR UNFAZED BY THE PANDEMIC



Consumers in China, India, and Indonesia consistently report higher optimism than the rest of the world, while those in Europe and Japan remain less optimistic about their countries' economic conditions after COVID-19.



43

OUT OF THE BOX

## INGENIOUS AND DIVERGENT REGULATIONS OF THE CONSUMER PROTECTION ACT, 2019



The new legislation contains 107 provisions as against 31 in the earlier one. It introduces an additional range of protections for the consumers to cover the novel and non-traditional market places.



47

IN FOCUS

## UNIQUELY IDENTIFYING TRADE ITEMS THE GS1 WAY



GS1 standards facilitate unique and universal identification, capture and share of information on products and services, from point-of-origin to point-of-sale or dispensation.

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KEVIN O'SULLIVAN  
ENVIRONMENT & SCIENCE EDITOR, IRISH TIMES

"As we enter a make-or-break decade in addressing the crisis – climate change, just three of 197 countries have met an agreed deadline to strengthen climate plans."

# ROUNDUP



## E-Commerce Dispute Resolution Falls By The Wayside

Both e-tailors and their sellers have to appoint grievance officers to address any complaints. Once notified, you will have a better-defined law to air your grievances.

### DATA BRIEFING

India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to **US\$ 120** billion in 2020, growing at an annual rate of 51%, the highest in the world.



Online dispute resolution could help make justice delivery efficient, affordable, and accessible

**THE ONLINE CONSUMER** Mediation Centre (OCMC) was inaugurated with much fanfare at the National Law School of India University (NLSIU), Bengaluru on the National Consumer Rights Day on 24th December, 2016 by Shri Ram Vilas Paswan, Minister, Consumer Affairs, Food and Public Distribution, Government of India.

The OCMC was visualized as a specialized mediation centre to address consumer complaints about e-commerce platforms. It facilitated a quick and easy redressal mechanism— the portal accessible 24\*7, fee as low as Rs. 100 and the mediation process deadline of 30 days - giving hope to consumers frazzled by the long winding and delayed system of pending cases in consumer courts.

The pilot project motto 'Anytime Anywhere Dispute Resolution' was promising and a dedicated website was designed to provide a user-friendly, transparent and secure online mediation process. People facing issues with their online purchases from any e-commerce site can register their grievances and get speedy and effective justice. So, if the books you ordered online have not been delivered, the dress you bought on an e-commerce website does not fit the accompanying description, the washing machine booked on an online portal turns out to be defective or the website delivers stones instead of mangoes, you know just where to turn for a quick and amicable settlement. This platform institutes online and even physical mediation if the items you ordered online are not replaced/exchanged or your money is not refunded after return, with utmost privacy and confidentiality at every stage.

The mission of the Centre was to mould technology as an innovative online mediation tool for consumers and organizations to manage and resolve conflicts while

enjoying easy accessibility, security, confidentiality, cost-effectiveness, neutrality and integrity. The overarching aim was to boost online mediation as the first choice for resolving consumer disputes while also making it possible for businesses to maintain good customer relations as satisfied customers are repeat customers.

This attempt to help customers who are being harassed by e-tailers and fake sellers by making consumer grievance available online was unquestionably progressive. But, yet again it fell prey to the usual fallacies of lack of consumer awareness, acceptance, participation and cooperation by the e-commerce companies and lack of governmental follow up.

A year down the line, the OCMC was weighed down by an exceptionally slow start. A mere 84 complaints registered on the portal of which only 14 had been resolved. Prof. Dr. Ashok R. Patil, Chair Professor for Consumer Law and Practice at NLSIU and Director at OCMC lamented, "We had hoped for more cases and better resolution. We hope the government advertises this portal to consumers as part of the Jaago Grahak campaign to educate them about this channel."

### Current Status

Try accessing the website, [www.onlinemediationcenter.ac.in](http://www.onlinemediationcenter.ac.in) and you will be staring at the usual error message – 'The site cannot be reached'. The dedicated page on the Ministry of Consumer Affairs website echoes with a deafening silence too.

Now, all hope rests in the new Consumer Protection Act, 2019 with an expanded purview that finally brings e-commerce platforms into the ambit.. ■

# CONSUMER HELPLINE GOES DIGITAL

## THE NATIONAL CONSUMER

Helpline (NCH) is a project of the Union Ministry of Consumer Affairs, Food and Public Distribution. It is operated under the Centre for Consumer Studies at Indian Institute of Public Administration.

Recognizing the need of consumers for a telephonic helpline to deal with the varied problems they encounter in their day-to-day dealings with manufacturers, sellers and service providers, the Ministry created a National Toll Free Number 1800-11-4000 or short code 14404. The Mission of NCH is 'to provide telephonic advice, information and guidance to empower Indian consumers and persuade businesses to reorient their policy and management systems to address consumer concerns and grievances adopting world class standards'.

Consumers can call the helpline and talk to a live agent to get information, advice or guidance for their queries and grievances. This can be related to companies and regulatory authorities, how to use the available consumer grievances redressal mechanisms, consumers' rights and responsibilities and also assistance in filing grievances against defaulting service providers. This helpline was further supplemented by an SMS service on the number 8130009809.

Along with this, the consumer helpline even went digital – aggrieved



consumers can now register with the National Consumer Helpline portal [www.consumerhelpline.gov.in](http://www.consumerhelpline.gov.in) to lodge a complaint online. This is further complemented by mobile apps like the National Consumer Helpline app and the Consumer app.

Registered users get a user ID and password to access the portal. They can provide the required details of their grievance along with necessary documents, if available. A unique docket number is instantly generated for every complaint and the grievance is sent to the concerned company, agency, regulator or ombudsman for speedy redressal. The actions taken are updated on real time basis by the concerned agency and they are reminded regularly at stipulated intervals. Consumers

can check the status of their complaints on the website or app using the docket number and the status will also be communicated via automated emails.

Along with this, the app provides detailed information through consumer awareness material on varied topics and addresses of various Consumer Fora along with links to useful websites like the Bureau of Indian Standards, National Test House, Reserve Bank of India, TRAI, IRDA and more.

## Current Status

A round up of the National Consumer Helpline in its different avatars reveals that the telephone helplines are active and consumers can speak to an agent and gain information or register their grievances. The SMS service is also operational with appropriate follow-up.

When it comes to the digital platforms, the good news is that any grievance related to consumer issues can be easily registered on the website [www.consumerhelpline.gov.in](http://www.consumerhelpline.gov.in). The department will make all efforts to resolve the complaint within a period of 60 days. In contrast, the National Consumer Helpline app and the Consumer app are up and running on Android platforms while the Apple App Store does not offer the said apps for download. Pan smartphone coverage will enlarge the scope and will be highly appreciated. ▀

# Smart Consumer App – How Far Is It Smartening Consumers?



Powered by DataKart, the Smart Consumer mobile app gives consumers easy access to reliable product information at their fingertips

**MARKETS ACROSS THE** country are flooded with fake goods. They are everywhere - think replica cosmetics, imitation watches, adulterated foods, counterfeit food processors, spurious medicines and you will get the picture. Such falsely labeled products stealthily enter the supply chain, are difficult to detect and are playing havoc across industries today.

The counterfeit products can affect your pocket and even take a toll on your health. The problem here is that they appear identical to the original goods whereby a layman can never tell the difference. So how is the ill-informed consumer to keep himself safe and protect himself from being duped? For that matter, how do the original brands safeguard their reputation and image?

To tackle the fake product menace and empower the consumers, the Ministry of Consumer Affairs, Food and Public Distribution announced the 'Smart Consumer' mobile app on the occasion of National Consumer Day in 2016. It was finally launched in July 2019 in coordination with the Food Safety Standards Authority of India (FSSAI).

This online platform offers access to labeling information of different products along with better consumer grievance redressal, enabling regulatory compliance and connecting with consumers. The app is so designed that consumers can scan and validate the barcode on labels of different consumer products sold in India to check if they are fake or original even while checking the original price and content.

Scanning the barcode of any product will reveal the name of the commodity and the name and address of the manufacturer or importer followed by the product description, net and gross weight, net content, dimensions, month and year of packing and manufacturing, MRP, FSSAI license number, product expiry, GST details and consumer care information. While some of this information is available on the product itself, it is often difficult to read because of the fine print. Moreover, there is no way of verifying the legitimacy of the information.

In contrast, as the Smart Consumer app will directly source the data from the brand owners/manufacturers, it is

## How it works?

Scan product barcode and get:

- Product name
- Manufacturer details
- Month and year of manufacture
- MRP
- Net content
- Consumer care details to submit complaints

Empowering consumers with digital product information

completely reliable. This works on the premise that if the app does not show any information in conjunction with the barcode, the product is most likely fake. It will also enable the consumers to share their feedback or register a complaint directly with the manufacturer/brand owner of the product.

### Current Status

This is definitely a much awaited and needed move to determine the legitimacy of the products. The app is available for download across smartphone platforms and is easy to use as well. However, a random scan of consumer products across categories reveals the true picture.

The app barely shows the name of the product, the company name, address and the country of origin which obviously is India. Apart from these, all other information draws a blank and the app merely states that the 'Product information is not provided by the manufacturer'. The option to register complaints is not active either.

With the app failing to deliver even the basic product information, the empty sections are a harsh reminder that it has a long way to go to provide meaningful information and prove useful. The stakeholders have to be involved at various levels to enhance the usability of the channel and ensure proper veracity. Provisions have to be made to connect consumers digitally with the manufacturers/suppliers using their customer care contact details for speedy redressal of complaints.

There is hope yet that the government will work on enhancing the efficacy of the app. In a session, Mr. Pawan Agarwal, CEO FSSAI did state that "We want to make sure that no complaint goes unresolved and hence, integration with appropriate channels is relevant. The integration will enable consumers to get more visibility to FSSAI License numbers/certificates, product recall alerts and customer complaint module for reporting food quality and safety related issues directly to FSSAI through scanning of barcodes (which use GTIN – Global Trade Item Number) on consumer products through the 'Smart Consumer' mobile app". ▶

# Connecting Consumers With Online Consumer Communities



**THE MINISTRY OF** Consumer Affairs is definitely leaving no stone unturned to raise awareness among consumers about their rights even as it seeks to empower them to seek redressal for their grievances.

One of the various attempts to give consumers a voice is initiating online citizen community platforms to address consumers' issues. Citizens are invited to join the online communities and share their experiences, seek guidance from each other or voluntary consumer organizations and raise their grievances. The medium will also enable them to participate in consumer affairs policies and get on-ground resolution.

This was flagged off with a 'Connected Consumers' community while another one for encouraging consumers to discuss and give inputs related to MRP was launched recently.

The Ministry applauds the success of the campaign with, "Via the community, consumers are raising issues as well as collectively identifying specific solutions to those issues. Solutions identified by consumers are being evaluated by the Department of Consumer Affairs and many of them are taken as inputs for policy making".

### Current Status

Consumers have joined some of the online communities and come forward with various issues related to shelf-life, expired products, price manipulation of fruits and vegetables, grievances in the telecom sector, etc. They also shared inputs related to MRP – like making display of MRP mandatory for products sold on e-commerce channels, making MRP mandatory on all medical devices, ideas on lowering consumer and merchant charges on debit and credit card transactions as well as solutions for prohibiting sale of products above MRP. There has been a vociferous demand for removal of service charge or making it optional and giving the consumer an option to fill it in the invoice based on experience.

The road ahead is long - keeping these online platforms is bound to deliver results. ▶



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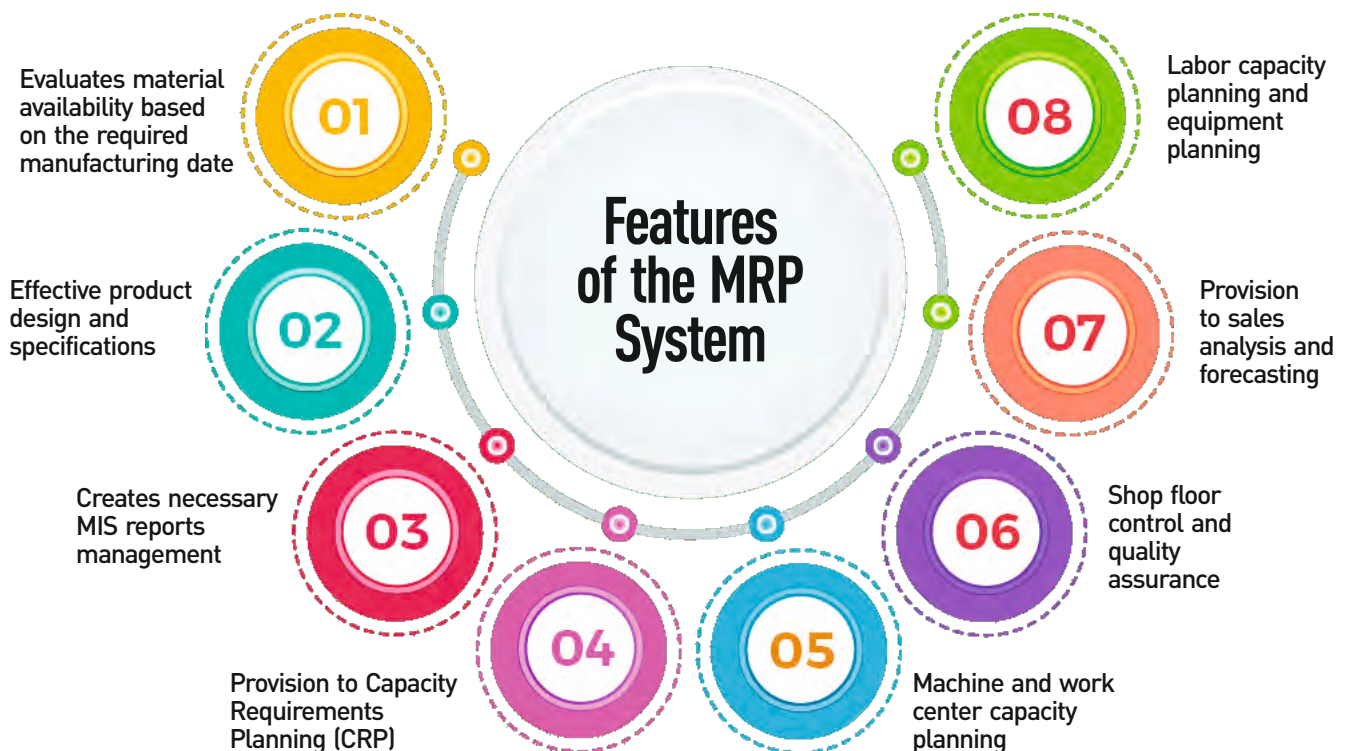


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## Consumers, Beware

# MRP Eliminates Free Market Potential

A maximum retail price (MRP) is a manufacturer calculated price that is the highest price that can be charged for a product sold. However, retailers may choose to sell products for less than the MRP. MRP differs from systems using a recommended retail price because in those systems the price calculated by the manufacturer is only a recommendation, not enforceable by law.



**AS CONSUMERS, WE** are conditioned to pay the MRP of any product we buy – be it a soap, a toothbrush, a strip of pills, a watch or a smartphone. In fact, the government stipulates that all packaged goods should display a label of the maximum retail sale price inclusive of all taxes. If a trader or retailer charges any price above the MRP, it is considered an unfair trade practice and they can be prosecuted for such default.

You too must be paying the maximum retail price printed on the label, feeling secure with the thought that this is the correct price of the product.

Delve deeper into how the manufacturers determine this price and there emerges a gory picture of what actually goes on behind the scenes.

### Is the MRP Always Fair and Reasonable?

Many manufacturers set a random MRP for their product or even mark up the price anywhere between 50% to even 90% for some goods. This often becomes the industry norm so that we have no choice but to dish out the full price.

Take for instance, the manufacturing costs of Pepsi or Coke is just Rs. 2 per litre. However, most of these beverages are sold for around Rs. 60 for a bottle of one litre. Imagine the kind of profits raked in by the manufacturers, retailers and other middlemen. Even after adding the marketing and logistical expenses, the profit margin is staggering.

Yet, we are brainwashed to believe that Rs. 60 is a fair price for the beverage. Now even if the retailer were to offer a discount of Rs. 5 on a single bottle or Rs. 10 for a bundled purchase, we will lap it up in an ecstatic frenzy.

In fact, the MRPs of various products like small appliances, electricals and automobile spare parts have arbitrary profit margins without any correlation to the actual value of the product. This is how the retailers can offer heavy discounts and online shopping portals like Amazon and Flipkart afford the huge mark-downs in prices. It is the standard rule for gift items like tableware, vases and other ornamental items to be marked with ridiculously high prices while they are sold at half the MRP or even lower. The price simply raises the perceived value when we gift it to someone.

It is clear that the manufacturers and traders leave no chance to fleece the helpless consumers. We all remember the harrowing confusion when GST came into force in July, 2017. Even though the government was literally screaming from the rooftops that the MRP is inclusive of GST, many shops were forcing customers to pay more than the MRP with the excuse that the new GST has increased the prices.

This is not a one-off instance. Many outlets charge a premium for extra services – most of us have paid a 'cooling charge' for chilled water, juices or soft drinks. Similarly, the price of normal consumer items is also routinely hiked above the MRP in hill stations and other far-flung areas, especially for the tourists. This requires either heavy bribing or hefty fines to the authorities but the

Be a **smart and vigilant** consumer!

MRP is inclusive of GST! No GST on MRP

TALCUM POWDER MRP RS. 100.00	
1X100 G	
SUBTOTAL	RS. 100.00
TOTAL	RS. 100.00

TALCUM POWDER MRP RS. 100.00	
1X100 G	
SUBTOTAL	RS. 100.00
GST	RS. 10.00
TOTAL	RS. 110.00

01 Maximum retail price is the maximum price that can be charged from consumers

02 If you are charged unfairly over the MRP, then lodge a complaint on toll free no. 1800-11-4000 / 14404

added cost is passed on to the consumer itself, thus inflating the price further.

### Why is MAXIMUM Not the Operative Word?

The MRP system of pricing was intended for protecting the interests of consumers but the collusion of manufacturers and traders has in fact made it redundant today. It should be considered the upper limit of the price as intended along with the retailers and shopkeepers offering prices lower than the MRP based on trader discounts, logistic charges and other overheads. Else, it is only doing a disservice to the consumers.

### Going MRP-Free

Without the fixed MRP system, free market forces will essentially come into play and benefit the consumers even as it boosts the economy.

Consider this: when a new general store opens up in your area, the shopkeeper will no longer stick to the stipulated MRP and will offer discounted prices to attract customers while maintaining a fair profit margin. The older players will also attempt to cut prices to retain their clientele. Undisputedly, the consumer wins.

Again, free of the MRP shackles, a retailer or two will be willing to set up shop in remote places, even if it means offering their wares at higher prices. Buoyed by their success, more vendors will flock in, thus bringing down the logistical costs as well as the prices. This way, consumers enjoy a range of products at reasonable prices.

The indicative price structures of various countries around the world work to promote competition and to curtail price manipulations. So, on this National Consumer Day, let us raise our voices for providing consumers more choices by bestowing retailers with the freedom to decide the MRP. ▶



THE AWARE CONSUMER  
**STATE AWARDS**

## Comparison of the Aware Consumer State Awards Over the Years – How States Fare in Consumer-Friendly Index

The 'Aware Consumer State Awards' is the first initiative led by a non-government organization, attempting to consolidate comparable data on various parameters of governance so as to present a snapshot of how all the 28 different states and 9 union territories of the country are moving towards making themselves consumer friendly.

**CIRCA 1986, INDIA** witnessed a paradigm shift in consumer rights and protection - the Consumer Protection Act, 1986 was a turning point in the history of the consumer movement in the country. It provided a legislative frame work and instituted regulations to protect the consumers' interests and enforce their rights with mechanisms for complaints and redressal.

Since then our government has been promoting various initiatives to empower the consumers to make informed choices and protect them from frauds and exploitation. It also extends resources to the various states and union territories to implement the consumer protection policies and strengthen the legal redressal mechanism. They are also required to reinforce their infrastructure to facilitate consumers to seek prompt redressal for their complaints. Funds are provided for improving the testing facilities for measuring the quality of products and services provided by the public and private enterprises conducting business in their territory.

However, the sad fact is that even after extending both financial and technical support, many states are yet to institutionalize the consumer awareness and redressal mechanisms as required by the Act. Even where the regulations and policies have been implemented, poor enforcement often creates a glaring gap between the delivery mechanism and consumer expectations.

The 'Aware Consumer State Awards' is the first initiative led by a non-government organization, attempting to consolidate comparable data on various parameters of governance so as to present a snapshot of how all the 28 different states and 9 union territories of the country are moving towards making themselves consumer friendly (both online and offline).

The assessment and ranking are done by evaluating the efficiency of the various systems and procedures instituted by the government machinery in their respective territories. The overarching aim is to recognize the best practices of the state governments towards becoming consumer friendly and foster a healthy competitive environment for all.

## Origin of the Awards

It was at the launch of the first edition of 'The Aware Consumer' in Delhi on 30th July, 2014 when several leading consumer organizations met and joined hands to work together in the interest of the Indian Consumer in a professional and efficient manner. Following this, the Consumer Online Foundation, New Delhi (a partnership initiative of all the stakeholders) submitted a proposal to the Department of Consumer Affairs, Ministry of Consumer Affairs, Food &



## OBJECTIVES

- To engage with all the Stakeholders to develop a credible and transparent measuring instrument to identify the Consumer-Friendly State(s) in our country.
- To mobilise all key stakeholders and commission a study by using the agreed instrument to collate the data, emerging from the study and present before a JURY of experts to declare and make public the final outcomes emerging from the study.
- To award the State(s) and the Key stakeholders engaged in consumer welfare as Champions over an event every year under the JAGO GRAHAK JAGO Multi-media Campaign on the occasion of the World Consumer Rights Day (15th March) started from 2016.

Public Distribution, Government of India to support a study of the most consumer friendly states in the country.

This study was proposed to be released every year on 15th March (World Consumer Rights Day) from 2016 onwards. It was intended to identify the strengths and weaknesses of the various development activities undertaken by the different states and union territories and recognize the ones adopting best practices based on well-defined parameters. The ultimate intention is to incentivize the consumer-friendly states and union territories.

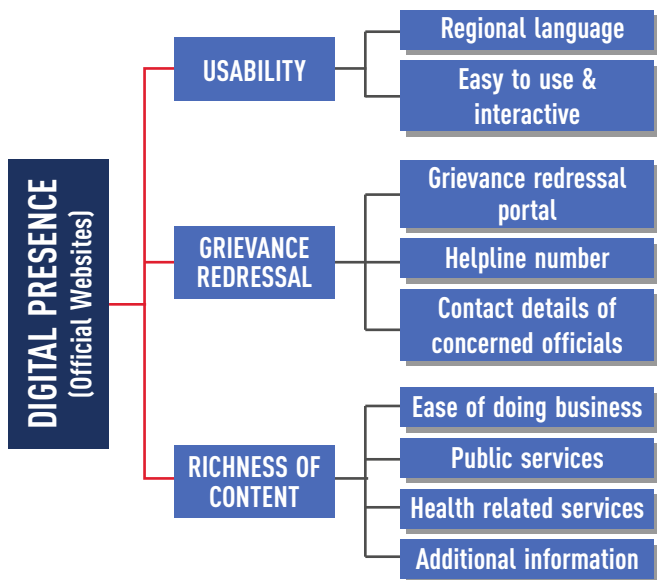
Accordingly, the Consumer Online Foundation started conducting the pan-India study with a transparent measuring index and the Aware Consumer has been hosting these State Awards since 2016. The awards go a long way in encouraging the states to become consumer friendly in the next five years. Furthermore, this exercise also educates the various local governments on the global best practices for becoming consumer friendly by instituting efficiency and effectiveness in public services and governance.

## Survey Methodology

The first measuring matrix was crafted based on a national consultation and four regional consultations with the state governments of Tamil Nadu, West Bengal, Assam and Jammu and Kashmir over a period of three months. The stakeholders used simple existing templates during the consultative process and designed a credible and transparent measuring instrument by seeking support from reputed consultancy organizations. Nine questionnaires were carefully framed under each of the three verticals of consumer awareness and education, public grievances and health and food safety.

RANKING & SCORING PARAMETERS			
S.No.	Parameters	Score	Weightage
1	Website Parameters	9	40%
2	Public Infrastructure	1	20%
3	Judiciary & Public Security	1	30%
4	Commerce & Industry	1	10%
<b>TOTAL</b>		<b>12</b>	

The respective elements of all key indicators is given as follows:



This was progressively improved every year based on inputs from experts and other observations and experiences.

Though some states initially provided vague or partial responses and some did not respond at all, the participation and interest has been growing over the years. In fact, the Aware Consumer has subsequently released the results of 5 such pan India studies in March 2016, 2017 and 2018 followed by December, 2018 and the latest one again in March, 2020.

### ■ March, 2016 Awards

#### Theme: Citizen's Perception of Consumer-Friendly States in India

The first edition of the Aware Consumer State Awards was held on 15th March, 2016 on the occasion of World Consumer Rights Day. It focused on capturing the consumers' perception of the public services provided by the various state governments.

The following four pillars of public services and their respective delivery mechanisms were the key factors for determining the success of state governments:

PUBLIC INFRASTRUCTURE & UTILITIES	
# Indicators	Weightage
1 Access to Potable Water	0.25
2 Towns declared Open Defecation Free (ODF)	0.1
3 Village declared ODF	0.1
4 Connectivity to Rural Habitations	0.1
5 Access to Clean Cooking Fuel (LPG / PNG)	0.1
6 Access to Power Supply	0.05
7 Availability of 24X7 Power Supply	0.05
8 Energy Availability against the Requirement	0.05
9 Growth in Per Capita Power Consumption	0.2

Weightage: 20%

JUDICIARY & PUBLIC SECURITY		COMMERCE & INDUSTRY	
# Indicators	Weightage	# Indicators	Weightage
1 Conviction Rate	0.3	1 Ease-of-Doing-Business (EoDB)	0.9
2 Availability of Police Personnel	0.25	2 Growth Rate of Industries	0.05
3 Proportion of Women Police Personnel	0.15	3 Micro, Small and Medium Enterprises (MSME) Establishments	0.05
4 Disposal of Court Case	0.15		
5 Disposal of cases by consumer courts	0.15		

Weightage: 30%

Weightage: 10%

- Consumer education and redressal mechanism
- Digital friendly initiatives for efficient delivery of public services
- Delivery of health-related services including safe food and access to quality health care
- Ease to conduct business

Based on the results, the top six performing states were felicitated for their efforts towards establishing a consumer-friendly state and awarded as the best consumer-friendly states/union territories of India -

- Goa
- Andhra Pradesh and Telangana (combined)
- Tripura
- Rajasthan
- Uttarakhand

These findings were keenly appreciated by the Department of Consumer Affairs under the Ministry of Consumer Affairs, Food and Public Distribution, Government of India. The winning state governments considered it as a moment of great pride while it became a learning experience for the remaining ones.

## ■ March, 2017

### Theme: Building Digital World Consumers Can Trust

The second edition of the Aware Consumer State Awards was again organized on the occasion of World Consumer Rights Day on 15th March, 2017. The focus was on evaluating the transparency of public services and the level of digitization across the country, in keeping with the Digital India initiative of the union government.

The new partnership with Quality Council of India provided the knowledge support to improve the methodology and evaluation matrix of the survey. It again garnered able support from the Department of Consumer Affairs.

The event also created a consensus between all the stakeholders to take this program forward for building a NEW INDIA by 2022 in the interest of the Indian consumers.

The following pillars of public services and their respective delivery mechanism were considered as the key factors for determining the success of the states and union territories:

- Consumer education and redressal mechanism
- Digital friendly initiatives for efficient delivery of public services
- Delivery of health-related services including safe food and access to quality health care

The awards for the top 5 consumer friendly states and union territories were bagged by:

- Rajasthan
- Himachal Pradesh
- Odisha
- Gujarat
- Telangana

The state of Rajasthan's proactive efforts to ensure consumer welfare and wellbeing catapulted it to the top spot while Telangana tumbled down to the fifth place from its erstwhile second ranking. Goa, Andhra Pradesh, Tripura and Uttarakhand did not figure in the top rankings this year and were replaced by Himachal Pradesh, Odisha and Gujarat mostly because they were the ones to provide most information in the survey questionnaires.

The survey being in its infancy stage was still struggling to find acceptance with the state governments. Since all the states had not provided the required information yet again, the stakeholders decided to look at new methodologies and fresh criteria for selection. It was decided that redefining the parameters will ensure more proactive participation.

## ■ March, 2018

### Theme: Making Digital Marketplaces Fairer

The third edition of the Aware Consumer State Awards was organized to coincide with the World Consumer Rights Day on 15th March, 2018. In view of the growing

popularity of e-governance among the consumers, the focus of this edition was on evaluating the quality of digitization of the public services.

The continued guidance of the Quality Council of India rendered the survey methodology more robust and comprehensive. The states were ranked on a four-pronged methodology of questionnaire responses, ease of doing business scores, digital presence of state government departments and case resolution rate of state government departments.

The following three pillars of public services and their respective delivery mechanism were considered as the key factors for determining the success of state governments from the point of view of the consumers:

- Consumer education and consumer redressal mechanism
- Delivery of health-related services including safe food and access to quality health care
- Accessibility and connectivity for ensuring fast and efficient delivery of public services and governance through digitalization

The corresponding scoring criteria and weightage of each of the parameters was clearly defined.

The 8 consumer friendly states and union territories that scored the highest points are -

- Andhra Pradesh
- Goa
- Rajasthan
- Karnataka
- Himachal Pradesh
- Andaman & Nicobar Islands
- Uttarakhand
- West Bengal

While most of the top states from the previous two rounds of surveys managed to stick to one of the top rungs, Karnataka and West Bengal were the new winners of the coveted awards. It was heartening to note the presence of Andaman & Nicobar Islands as the first and sole union territory to bag an award.

The results were embraced and appreciated by both government bodies and the industry associations.

## ■ December, 2018

### Theme: Good Governance: Citizen As A Consumer

The fourth edition of the Aware Consumer State Awards was organized to coincide with the National Consumer Day this time round on 24th December, 2018.

The states were once again ranked on the same four-pronged methodology similar to the previous survey round and the three pillars of public services and their respective delivery mechanism that formed the key factors also remained the same

In addition to this, ease of doing business was also included as one of the parameters of the study, in view of the importance of the 'Make in India' policy promoted



The Aware Consumer State Awards 2018

by the central government. It was decided to adopt the findings of the study conducted by the DIPP, Ministry of Commerce along with World Bank on the ease of doing business across the states and union territories.

The top 5 consumer friendly states and union territories awarded this time round were -

- Himachal Pradesh
- Goa
- Andhra Pradesh
- Karnataka
- Andaman & Nicobar Islands

It was noted that the top winners from the previous rounds continued to have the appropriate systems and procedures in place for ensuring consumer satisfaction.

## ■ March, 2020

### Theme: The Sustainable Consumer and Sustainable Development Goals

The fifth and latest edition of the Aware Consumer State Awards was held on the occasion of the World Consumer Rights Day on 15th March, 2020, just before the country went into complete lockdown on account of the Covid-19 pandemic. It was also held in the backdrop of the new Consumer Protection Act, 2019 which was in the works and was notified later in July.

The survey is now trying to account for the wide disparities in population demographics, geography, administration and other structures, both within the states and among the states and union territories. The states and union territories are now grouped into three categories -

- (i) North-East and Hill States (11)
- (ii) Union Territories (7)
- (iii) Big States (18).

This helps ensure rationality, equity and a level-playing field in the rankings of the consumer-friendly states and union territories. It should be noted that a similar classification has been adopted by the Prime Ministers' Awards for Excellence in Public Administration and Good Governance Index, instituted by the DARPG, Ministry of Personnel, Public Grievances & Pensions.

The states were ranked on the four key indicators of digital website presence, public infrastructure and utilities, judiciary and public security and commerce and industry. These indicators assessed the states on important

aspects like disposal of consumer court cases, villages and towns being declared open defecation free, access to potable water, ease of doing business, official websites and the information found on them.

The top 5 awards in the Big States category were bagged by:

1. Kerala
2. Haryana
3. Telangana
4. Madhya Pradesh
5. Odisha

The leading states in the North East and Hilly States were:

1. Himachal Pradesh
2. Arunachal Pradesh
3. Uttarakhand
4. Sikkim
5. Assam

The top 5 of the seven Union Territories were:

1. Delhi
2. Lakshwadeep
3. Pondicherry
4. Chandigarh
5. Andaman & Nicobar Islands

This presents a more comprehensive view of the consumer protection mechanism in place across the country even as it encourages the states to vie for improvement and recognition.

## In Conclusion

The Aware Consumer State Awards have been slowly gaining traction with the states and union territories. Some of them are more willing to share information on their consumer protection policies and activities.

Many roadblocks still persist. There is a pressing need for many of the states and union territories to update their websites as in many cases the incumbents had changed; most websites do not provide e-mail IDs and in some cases the e mails sent through digital mode are also found non-functional.

This annual feature is primed to inculcate transparency and accountability towards the consumers as it encourages and incentivizes the states to persevere to provide consumer protection and awareness. ■

Source: [www.theawareconsumer.in/state-awards](http://www.theawareconsumer.in/state-awards)



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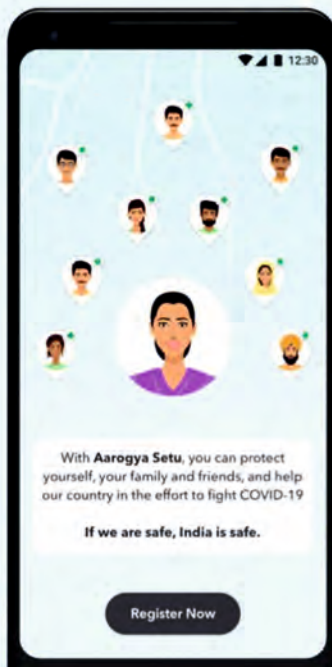
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# REPORT

## Gauging Consumer Sentiment During The Pandemic With RBI Consumer Confidence And Inflation Expectations Surveys

**TRYING TO UNDERSTAND** and identify with the Indian consumer is a huge challenge. We are inherently a capricious and mercurial society with quicksilver changes in our attitudes and behaviors. These fluctuations are compounded by the mammoth diversity and magnitude of our nation.

Yet, the Reserve Bank of India makes regular attempts to put a finger on the prevailing consumer confidence and inflation expectations in the country with regular surveys.

## Consumer Confidence Index

This is primarily a forward-looking survey conducted every two months. It has two indices - the current index indicates the change in consumer perceptions on the financial situation in the last year and the future expectations index reveals consumer perceptions about their financial situation in the forthcoming year. Therefore, it reveals how optimistic or pessimistic the consumers feel about their financial situation.

The survey seeks qualitative responses from households regarding their perception of the general economic situation, the employment scenario, the price level, the household incomes and spending. It is conducted regularly across 13 cities - Ahmedabad, Bengaluru, Bhopal, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Patna and Thiruvananthapuram to cover around 5,400 respondents.

## Inflation Expectations Survey

This is a measure of how households perceive the present inflation as well as how they expect the inflation to pan out in the near future. It covers different groups like workers, businessmen and investors and seeks their qualitative price expectations for general prices as well as specific groups like food products, non-food products, consumer durables, housing and services. It also solicits quantitative responses on the current, three months ahead and one year

ahead inflation rates. This will reveal a subjective assessment on price movements and inflation in the country.

The survey involves capturing the individual consumption baskets of a sample population. It is conducted across 18 cities including Ahmedabad, Bengaluru, Chandigarh, Delhi, Guwahati, Kolkata, Lucknow, Mumbai and Thiruvananthapuram with a survey sample of about 6,000 households.

## The Utility Factor

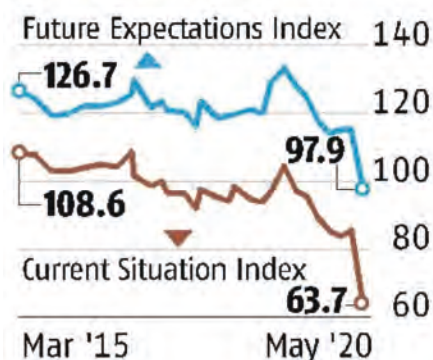
The results of both the surveys signal the sentiments of the public and serve as useful inputs for the monetary policy. The consumer perceptions of the financial situation coupled with their inflation expectations will obviously drive their decisions about economic activities in the future. For instance, if people expect inflation to be lower, they will act according to this belief and can actually drive down the actual inflation and vice versa.

Let us take a look at how these indices have panned out during the current Covid-19 pandemic -

## Survey Results - May 2020

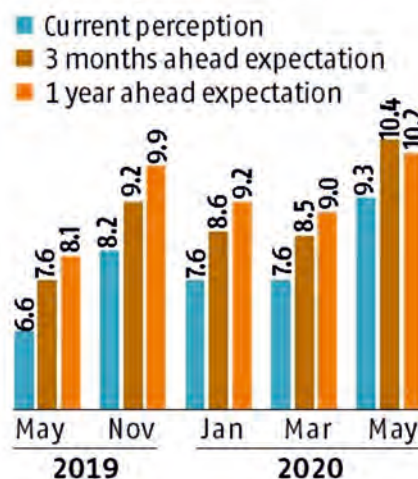
Following the sudden and extended lockdowns, the consumer confidence collapsed horribly. The Current Situation Index (CSI) dropped to a historic low of 63.7 against 85.6 in March 2020. This index has actually remained weak since May 2019 but

## CREEPING PESSIMISM



## HOUSEHOLD INFLATION EXPECTATIONS

Median figures in %



nobody could have predicted such a brusque fall.

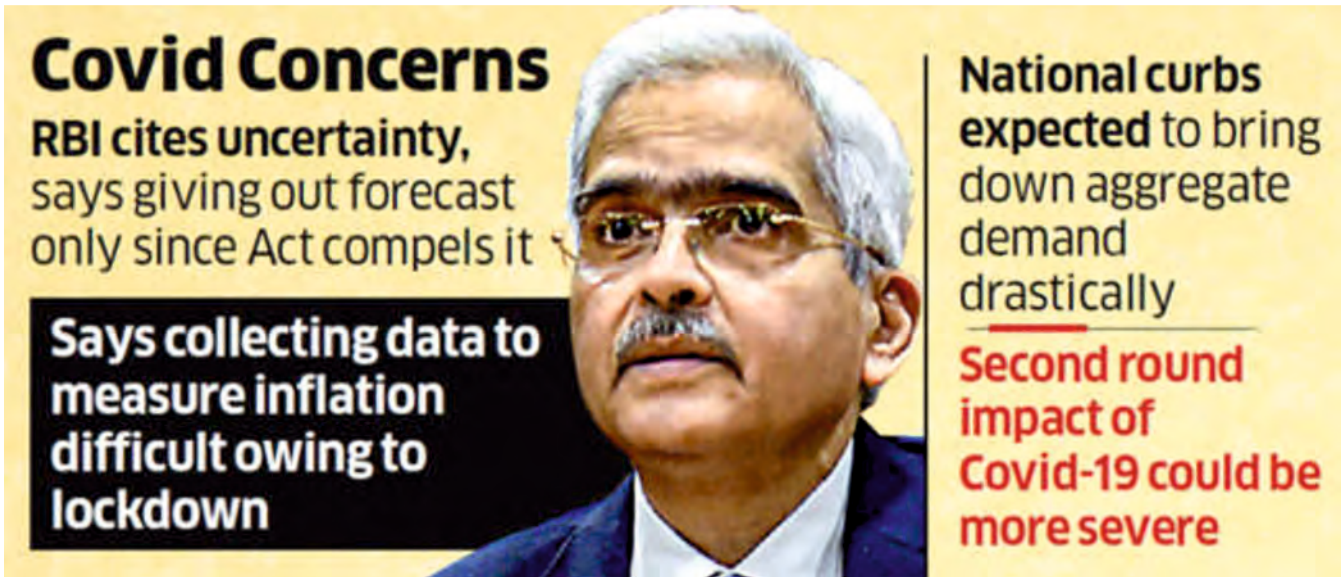
The expectations for the year ahead were also pessimistic with the Future Expectations Index (FEI) recording another sharp contraction to 97.9 against 115.2 in March 2020. It is noteworthy that this index fell for the first time since Mr. Modi stormed into power.

Consumers reported an acute cut in their spending in keeping with the pandemic situation and they were overly pessimistic about the recovery of both their jobs and the economy.

The households' perceptions and expectations about the inflation recorded a sharp increase with the three months and one year ahead median inflation expectations rising by 190 and 120 basis points respectively over the previous round. What is surprising is that the three-month ahead expectation stands higher than the one-year horizon.

## Survey Results - July 2020

The consumer confidence indices plunged deeper into the contraction zone with a gradual worsening of the consumer perceptions of the general economic situation, employment scenario and household income. While



the CSI dropped further to 53.8 from 63.7 in May, the FEI for the year ahead however, rebounded into positive territory signaling buoyant hopes and an optimistic expectation of recovery in the year ahead. There was another sharp cut in overall and essential spending as expected.

Meanwhile, the households' inflation expectations continued the trend from May with the current median inflation perception rising 60 basis points to 9.9%. The inflation expectations for both three months and one year horizons increased by 10 basis points each over the previous round of surveys. Therefore, the three-month ahead median inflation expectation continued to stand higher than the one-year horizon for the second consecutive time.

### Survey Results - September 2020

The latest round of surveys reveals a dismal picture with the general population almost losing all confidence in the country's economy. The consumers are more pessimistic than ever and the current situation index recorded its third successive all-time low at 49.9% compared to 53.8% in July. Yet, the future expectations continue to hold hope of imminent recovery with the one-year ahead expectations index showing a confident improvement for the second

survey running, rising from 105.4 to 115.9. More respondents reported a further curbing of both overall and essential spending.

There is a general expectation that prices of commodities will rise as the households' median inflation expectations remained elevated for both three months and one year ahead periods. Yet, a ray of hope is that the consumer perception of both current and future inflation over the next quarter stands a shade lower than that in the previous survey in July 2020.

Even the share of respondents expecting food inflation to rise over the next three months has declined vis-à-vis the earlier survey and this perception is likely to bear down on the future inflation situation in the country.

### Survey - November 2020

The apex bank had recently launched the latest round of Consumer Confidence and Inflation Expectations Survey of Households (IESH). The surveys were conducted by a Mumbai-based agency on behalf of the RBI through both face-to-face and telephone interviews. While the selected households are directly approached to provide their responses, other consumers can also come forward to participate in the surveys by filling their responses at [www.rbi.org.in/Scripts/BS\\_ViewForms.aspx?FCId=40](http://www.rbi.org.in/Scripts/BS_ViewForms.aspx?FCId=40).

The RBI Governor-headed Monetary

Policy Committee (MPC) is scheduled to meet from 2nd to 4th December and will call on the survey results to formulate an appropriate monetary policy response to stabilize the economy.

### In Conclusion

The Covid-19 pandemic and lockdown have disrupted the economy in more ways than one. The pay cuts, job losses and overall weak employment environment have extracted a heavy toll.

While initially the prices were rising as the supply was at a standstill, the situation has definitely improved with the gradual opening up of the economy. Yet, the consumer confidence has hit rock bottom with gloomy expectations of a further worsening in the general economic situation, employment scenario and their own incomes. The general perception is that price rise will continue to prevail in the future. Discretionary spending is also expected to remain low in the near future.

In spite of the ominous rumblings, many consumers continue to hold hope that the economy will improve over the next year. A revival of consumption is essential now. The consumers have to overcome the prevailing pessimism and loosen their purse strings as higher spending is the only way to stimulate the economy. ▀

## Challenges To The Central Consumer Protection Authority

On 23rd July, 2020, the Central Government notified in the Official Gazette that the Consumer Protection Act, 2019 will come into force.



**THE RECENT CONSUMER** Protection Act, 2019 heralds a new era in the history of consumer protection in our country. It is empowered to have an upper hand on the fast-changing technological and market dynamics as it eases the process of addressing consumer grievances.

One of the landmark features of the new Act is the constitution of a Central Consumer Protection Authority (CCPA) as an executive agency to promote, protect and enhance consumer rights. The then Minister for Consumer Affairs, Food & Public Distribution, Late Shri Ram Vilas Paswan had conferred with industry representatives in the beginning of 2020 about the role and functioning of the CCPA, much before the Act was duly assented and notified.

Accordingly, the CCPA is bestowed with extensive powers to regulate the violation of consumer rights, unfair trade practices and misleading advertisements. It can investigate, penalize or refer any offending trader, service provider or manufacturer to the Consumer Redressal Commissions. The regulatory authority is also authorized to-

- order recall of unsafe goods and withdrawal of hazardous services
- refund the price of the unsafe, damaged or defective products or services
- order discontinuation of unfair trade practices and misleading advertisements that are prejudicial to the interests of the consumers
- enter any premises and search or seize any document or article in accordance with the Code of Criminal Procedure, 1973
- impose monetary penalties or even imprisonment on the manufacturers or endorsers of false or misleading advertisements
- restrain such endorsers (including celebrities) from endorsing any product or service for a period up to one year, while in case of subsequent contravention, up to three years
- cancel the license in case a consumer complaint affects more than one consumer

This is the first time that the Indian law has introduced powers to take action for damage caused by a product and the product liability quotient is designed to deter manufacturers from abusing consumer rights in the future. The CCPA will also issue safety notices to alert consumers against any dangerous, hazardous or unsafe goods and services.

The icing on the cake is that the CCPA has suo moto powers to enforce the rights of consumers— this means that it is not limited to acting on complaints received from the consumers or on the direction of the central government alone. It can intervene and conduct inquiries on its own accord whenever and wherever it deems necessary to protect consumers from unfair trade practices.

What's more, the scope of the CCPA does not pertain to instituting consumer grievances alone. It can even take up prosecution to the extent of initiating class action if needed.

## On the Anvil

On 23rd July, 2020, the Central Government notified in the Official Gazette that the Consumer Protection Act, 2019 will come into force. Simultaneously, it also notified the establishment of the CCPA as a body corporate having perpetual succession and a common seal.

The CCPA has started functioning in the premises of the Indian Institute of Public Administration (IIPA). It is a lean body with Smt. Nidhi Khare (Additional Secretary in the Department of Consumer Affairs) assigned as the Chief Commissioner and Shri Anupam Mishra (Joint Secretary of the same department) appointed to the post of Commissioner. The Investigation Wing will be headed by the new Director General, Shri Pramod K. Tiwari (Director General, BIS) and an Additional Director General, Shri Vineet Mathur (Director General, National Test House).

Other support staff is also being arranged for the officers. The government will further decide the regional offices of the CCPA with District Collectors to exercise the powers and discharge the functions provided for in the Act.

This regulatory body is primed to act in a manner similar to leading consumer protection enforcement agencies in developed countries, like the Federal Trade Commission, USA and will upgrade Indian consumer protection to match global standards.

## Challenges Ahead

The CCPA is an innovative and laudable mechanism conferred with superpowers by Section 10 of the Act. However, lack of clarity over the implementation mechanism and other fine details can pose as major roadblocks in the actual working of this executive authority.

A glaring loophole is that the Act does not clarify how the CCPA will actually function when it comes to investigations and inquiries. It is also silent on what constitutes dangerous, hazardous or unsafe goods.

Moreover, the Act provides that the CCPA can file complaints before the District Commission, the State Commission or the National Commission, as the case may be, under the Act. There is a lingering ambiguity about the criteria or circumstances under which the latter will really entertain such cases. Even the provisions related to direct selling, e-commerce and punishment for false or misleading advertisements are yet to be notified.

Surprisingly, the Act does not even mandate that any of the officers of the CCPA should possess expertise in law or be competent to discharge judicial functions.

An overlap has come to light between the functions of the Director General vis-a-vis the search and seizure functions of the investigative wing. As many sectors have their own regulatory authorities, the concomitant rule-making power is bound to create clashes between the CCPA and these bodies.

It is only when these gaps are filled and the uncertainties ironed out that the new Act can truly translate into a path-breaking legislation that protects the interests of the consumers and the public at large. ▀

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## Ushering In A New Scenario For E-Commerce

The e-commerce industry's revenues are expected to increase from \$39 billion in 2017 to \$120 billion in 2020 – an annual growth rate of a whopping 51 per cent.



IMAGE: PIXABAY

**WE ARE IN** the throes of a digital age – before we can even realize it, more and more of our activities are moving to the online realm. Think about it – how do you shop, socialize, find information or even order food these days. We are instinctively reaching for our smartphones for every activity under the sun.

Online shopping is spreading its wings and weaving its way into the lifestyle of the Indian consumer. What started off with a one-off purchase of a book or gadget earlier has slowly trickled into our purchases of footwear, apparel, tickets, consumer durables, medicines and even groceries. Who would even want to step out of their homes, drive to the shopping mall, find a parking spot, hassle with the crowds and deal with pesky salesmen when a few clicks on the phone or tablet screen can open up a humungous digital marketplace with a much wider range of products, that too with a spate of price offers to boot?

According to a report released by the Competition Commission of India, the e-commerce industry's revenues are expected to increase from \$39 billion in 2017 to \$120 billion in 2020 — an annual growth rate of a whopping 51 per cent.

However, the setting is ripe for fleecing and duping unsuspecting customers with hidden charges, levies, penalties and other underhand ploys that surface only after the transaction is complete. Indeed, the online customers were getting trapped by the fine print, e-commerce platforms and online retailers were getting away with blue murder. They were riding on the wave that e-commerce is not governed by the Consumer Protection Act, 1986 and its subsequent amendments.

What is the government doing? Are the legislative and regulatory frameworks standing as silent spectators?

## Winds of Change

The new Consumer Protection Act, 2019 has finally kicked in a new regulatory regime for e-commerce entities registered in India or abroad but offering goods and services to Indian consumers. It strengthens the rights of the online consumers and enhances the protection standards by bringing in some much-needed guardrails that will promote accountability for the online retailers and make their businesses more transparent.

The 'Consumer Protection (E-Commerce) Rules, 2020' were notified on 23rd July this year and any violation will attract strict penal action from the new Central Consumer Protection Authority under the Consumer Protection Act, 2019. The new guidelines include:

- Electronic retailers (e-tailers) have to mandatorily display the 'country of origin' on all products and services. This is considered essential as it will empower consumers to make an informed purchase decision in case they do not want to buy goods produced in a particular country.
- E-commerce players are required to mention the 'expiry date' of the products they offer for sale, wherever applicable.



IMAGE: PIXABAY

- All e-commerce platforms have to display the total price of goods and services offered for sale along with a break-up of other charges.
- It is also necessary for them to display details about the return, refund, exchange, warranty and guarantee, delivery and shipment, and any other information that may be required by consumers to make informed decisions. The 'sellers' are mandated to provide the above details to the e-commerce entity to be displayed on its platform or website.
- An e-commerce entity cannot impose 'cancellation charges' on the consumers for cancelling their orders after they have confirmed the same, unless they are prepared to pay similar charges in case an order is cancelled from their end.
- E-commerce players are prohibited from adopting any unfair trade practice like manipulating the price to gain unreasonable profit, discriminating between consumers of the same class or arbitrarily classifying consumers.
- E-commerce portals are mandated to provide information on the available methods of payment, the security of these payment methods, any fees or charges payable by users and contact information, among other details of the relevant payment service provider.
- The e-marketplace platforms are required to prominently display the name of each seller's business and whether it is registered or not. Along with this, the sellers' geographic address, customer care number, any rating or other aggregated feedback, etc. should also be listed online.



## The manufacturers and sellers of products and services sold online will also be held liable for any harm caused by the product to the consumers.

- Aggregator e-tailers should reveal the terms and conditions governing their relationship with the sellers including differentiated treatment, if any.
- The e-tailer should compulsorily provide a quick and effective grievance redressal mechanism. A ticket number should be issued for each complaint lodged within a period of 48 hours and the consumer should be able to easily use this ticket to track the status of the complaint. Both the e-tailers and sellers are required to appoint grievance officers to address such complaints.
- The e-commerce platforms are also prohibited from automatically recording consent for purchase through sly methods like pre-ticked checkboxes. Recording an explicit consent for each purchase is considered mandatory.
- All inventory e-commerce entities are firmly forbidden from falsely posing as a consumer and posting reviews about the products and services or misrepresenting the quality/features of the products and services in any manner whatsoever.

- The inventory e-commerce platforms are further required to ensure that the advertisements for marketing of the products and services are consistent with the actual characteristics, access and usage conditions of such products or services.
- These inventory e-commerce players are also not allowed to refuse to take back the goods purchased or withdraw or discontinue the services in case a product is found to be fake or defective, is delivered late or is even found to be different from its accompanying description in the cyberspace.
- The inventory e-commerce players that explicitly or implicitly guarantee that their products and services are authentic will be held liable in any action pertaining to the authenticity of the said product or service.

The new rules for e-commerce have been framed diligently after detailed deliberation by the policymakers in consultation with various departments and experts in tune with the overall e-commerce policy. They encompass all aspects and forms of e-commerce and streamline their functioning. A clear distinction is created between the marketplace aggregator model where third-party sellers list and sell goods and the inventory model wherein the platform itself stocks the goods and sell them online. In the former case, the distinct scope of responsibilities of the e-platform and the sellers are clearly demarcated, thus making it easy for them to do business and facilitates effective enforcement of the new laws.

### The Road Ahead

The road is set for a level playing field in the online shopping space as the rules for disclosure are stringent, compliance requirements are inflexible and penalties are strict. Moreover, the new provisions in the Act pertaining to territorial and pecuniary jurisdiction, product liability and mediation are also extended to cover digital transactions. Therefore, even online shoppers can institute a complaint from wherever they reside.

The manufacturers and sellers of products and services sold online will also be held liable for any harm caused by the product to the consumers. Mediation cells will be established to help aid the e-commerce platform, the seller and the online consumer to arrive at the settlement prior to filing a complaint.

While some ambiguities in the laws over digital products, their identification and affixation of liability still linger, once they are corrected, a healthy growth of the e-commerce sector is on the cards.

### Conclusion

With consumer interest being considered paramount once again, the oversight will encourage consumers to do more transactions online in a safe and trustworthy environment on the one hand and business will boom for the e-commerce platforms and their sellers on the other. ■

**“FSSAI's responsibility lies in dispelling myths, clarifying misconceptions and ensuring that consumers are able to make informed choices by providing scientifically credible information on a range of topics.”**

**Q As the CEO of FSSAI, what you feel should be the top priorities of the Government in the interest of the consumers and Food Safety and Standards of our country?**

The top priority of the Government should be educating consumers and making them aware about the facts regarding safety of food. In this age of the Internet and social media, a lot of negative and incorrect information is available, which misleads consumers or confuses them. FSSAI's responsibility lies in dispelling myths, clarifying misconceptions and ensuring that consumers are able to make informed choices by providing scientifically credible information on a range of topics. FSSAI's consumer awareness efforts include topics ranging from checking for adulteration to analyzing labelling information and making informed, healthy food choices. FSSAI also has a Myth Busters section on its website [www.fssai.gov.in](http://www.fssai.gov.in) that address current myths circulating in the media. There is a video library and FSSAI's own You Tube Channel with all the latest information on food related topics. FSSAI has also developed a series of books such as Eat Right During Covid-19, Do You Eat Right? that directly target consumers. This information is being disseminated through various channels ranging from the Eat Right India website to TV, radio, print and social media in order to reach people from all walks of life.

**Q The New Consumer Protection Act 2019, which has come into force since July this year was a promise made by our Hon'ble Prime Minister in 2014, which has been fulfilled, what are the key features you feel FSSAI can deliver to the common consumer in terms of improving Accessibility of Wholesome Food?**

Consumers have been greatly empowered by the new Consumer Protection Act. E-filing of complaints, less

action suits, product liability, faster settlement of consumer disputes are noteworthy features of this law. Packaged food items fall within the ambit of consumer protection law and thus FSSAI's efforts to act in the interests of consumers will be strengthened.

**Q Sustainable consumption and production are about doing more and better with less. What steps is the government taking to promote eco-friendly food products and what is the importance of pictorials or symbols on food labels in India like Veg & Non-Veg labels?**

Use of ecofriendly packaging can significantly reduce the environmental impact of food products. FSSAI has constituted a Scientific Panel on Packaging to deal with the challenges in this area. A major step that FSSAI has taken is the review of its packaging regulations to accommodate more environment friendly materials and also promote reduction in use of plastic packaging. FSSAI has proposed the use of food grade packaging materials other than PET and glass for packaging of drinking water and has issued guidelines for use of bamboo as food contact material.

FSSAI has also allowed serving drinking water in paper sealed reusable glass bottles for captive use within hotel premises subject to certain conditions.

A campaign has been launched for safer and sustainable packaging and the State Food Safety Commissioners have been asked to start awareness campaigns on the use of alternatives to plastics. In addition, under the NetSCoFAN network, Indian Institute of Packaging (IIP) Mumbai as the lead institution along with other partner institutions will work in collaboration with FSSAI to address the issues related to eco-friendly packaging.

Food Safety and Standards (Labeling and Display) Regulations, 2018. prescribe the labeling requirements of



**Shri Arun Singhal IAS, CEO,**  
**Food Safety and Standards Authority of India,**  
**Government of India on the occasion of National Consumer Day 2020**

pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored. Pictorials or symbols are easy to understand and are language neutral, so they facilitate easy choice of foods by consumers. Accordingly, the regulation provides for various pictorials and symbols for vegetation, non-vegetarian and organic foods, Front of pack labelling for indicating salt, sugar and fat content in pictorial form are also under discussion.

**Q When do you feel we can empower consumers in India to make informed choice similar to Traffic Light and Zero Trans Fat symbols abroad?**

FSSAI regularly brings out guidelines / regulations for all stakeholders and the industry to follow. It is our constant endeavor to nudge consumers to eat healthy foods through various eat right India initiatives.

In 2015, FSSAI revised the limits of trans-fatty acids to be not more than five percent in the vegetable fat/oil, margarine and fat spreads and hydrogenated vegetable oils. In May, 2018, the World Health Organization (WHO) called for elimination of trans fat by 2023 and has launched the (REPLACE) action package, a step-by-step guide for the elimination of industrially-produced trans-fatty acids from the global food supply by 2023 as the first global initiative to eliminate a risk factor for CVD. FSSAI has also committed to reduce industrially produced trans-fat to less than 2% by year 2022, a year ahead of global target by WHO.

Regulation to mandate this are in final stages. FSSAI also provides trans fats free certification and logo to food businesses. Introduction of traffic light labelling for salt, sugar and fats is a work in progress, as it requires intensive consultations with all stakeholders in order to arrive at a consensus.

**Q What are some of the key awareness initiatives to educate consumers on their rights and responsibilities on safety, health and sustainability and make them conscious consumers on safe and healthy food habits?**

The Eat Right India movement has been launched by FSSAI to protect the health of the people and the planet by transforming the food ecosystem of the country. It is based on three key themes- Eat Safe, Eat Healthy, and Eat Sustainable and encompasses a bouquet of initiatives that targets food businesses and consumers to make the right food choices.

Through Eat Right India, FSSAI is promoting safe and wholesome food. Under this umbrella, Eat Right India promotes a variety of whole grains ranging from wheat and rice, to millets and other indigenous grains for better nutrition, keeping the diversity of the population in mind. Various initiatives such as Eat Right Campus for people at workplaces, hospitals and higher education institutions; Eat Right School for school children and the Eat Right Toolkit to reach people at the grassroots level have been launched.



Various IEC and awareness activities such as “Aaj Se Thoda Kam” have been launched to reduce salt, fat & sugar in diet as well as promotion of safe food habits. To empower consumers to check food adulteration, the DART Book, The Food Safety Magic Box and a mobile food testing van called Food Safety on Wheels have been provided.

Eat Right India is also focused on promotion of large-scale fortification of wheat flour and rice with iron, folic acid and Vitamin B 12 to address widespread iron-deficiency anemia in the country. These staple foods such as rice and wheat flour appear to be good vehicles to deliver nutrients to large sections of the population. FSSAI has been working with the Ministry of Women and Child Development to promote fortified staples in the ICDS programme and the Ministry of Human Resource Development to promote fortified foods in the mid-day meal scheme. Even under PDS, fortified rice is being provided in 15 districts, which would be later expanded.

To encourage and support sustainable food production and consumption, FSSAI is spearheading initiatives such as Jaivik Bharat to identify authentic organic food; Save



**Through its Eat Right India movement, FSSAI has taken a food systems approach wherein it is working with a range of stakeholders in the food ecosystem to ensure safe, healthy and sustainable food for everyone.**

Food, Share Food to reduce food waste and promote food donation; Safe and Sustainable Packaging in F&B Sector to reduce the use of plastics and Repurpose Used Cooking Oil (RUCO) for safe & healthy use of cooking oil and repurposing used oil to make biodiesel.

FSSAI has recently announced the Eat Right Challenge for cities and districts and has also announced the launch of Eat Right Challenge for the Smart Cities. Further, FSSAI is using various communication tools to disseminate right information on safe and healthy eating practices in the interest of public. Everyday posts, in Hindi and English from the official handle of FSSAI incorporating key messages of food safety, personal hygiene practices, healthy eating habits and other valuable tips for citizens are taken out on various social media platforms. FSSAI has recently released an eBook on Eat Right during COVID for consumers and a guidebook "Do You Eat Right" so that consumer can make right eating choices.

**Q What is your message to the consumer organizations and citizens on the occasion of National Consumer Day?**



Firstly, I congratulate and thank various consumer organizations for their constant support and dedication in spearheading the agenda of Eating Right in every possible manner.

I sincerely request consumer organizations to work in tandem with the Food Authority and spread awareness amongst consumers and empower them about their rights as well as responsibilities. Food Safety is a shared responsibility and it is the duty of every stakeholder including consumers to demand safe, healthy and sustainable food. Demand always helps in generating Supply. Only when a consumer demands safe and healthy food, food businesses will be pushed to provide us with healthier options.

Consumer organizations can play a big role in making consumers aware about the recent changes in regulations and other important issues pertaining to food. FSSAI has been working towards improving the food testing ecosystem across the country. We have provided mobile food testing laboratories called Food Safety on Wheels (FSWs) to the States/ UTs and any consumer can visit these FSWs and test the quality of food products. FSSAI has recently overhauled the consumer grievance platform with better functionality and accessibility to State Food Safety Commissioners. I hope and desire this new platform will bring a more cursory shift towards the better complaint management system.

A lot can be achieved at the ground level with their support and every small effort would certainly help in mobilizing the masses. Food is a common requirement of all consumers and hence, consumer organisations should make safe and healthy food for consumers their topmost priority. FSSAI will stand solidly with them in this venture. ▶



# DART

**DETECT ADULTERATION  
WITH RAPID TEST**



*fssai*



**FOOD SAFETY AND STANDARDS  
AUTHORITY OF INDIA**

*Inspiring Trust, Assuring Safe & Nutritious Food*  
Ministry of Health and Family Welfare, Government of India



**Pyush Misra**  
Director,  
Consumer Online Foundation

## Remembering The Staunch Socialist Leader



**Ram Vilas Paswan**

Former Minister of Consumer Affairs, Food and Public Distribution

**KNOWN AS A** weather vane who can sniff the direction the wind is blowing before anyone else speaks of the political acumen of the valiant Lok Janshakti Party leader and key ally of the NDA, Late Shri Ram Vilas Paswan. A stalwart politician from Bihar and one of the most prominent Dalit leaders, he had been in active politics for more than five decades. It is historic that the seasoned minister ended his long innings owning the Ministry of Consumer Affairs, Food & Public Distribution for the second term running.



## Early Innings

Starting his political career as a member of Samyukta Socialist Party, Mr. Paswan was elected to the Bihar Legislative Assembly in 1969. There was no looking back from there. He joined the Lok Dal in 1974 and was soon elevated to the post of General Secretary. He was arrested during the emergency in 1975 and sent to jail. Finally released in 1977, he became a member of the Janata Party and contested the general elections to be elected to the Lok Sabha from Hajipur constituency. Winning with a record margin (later broken) of 424,000 and 89.3% votes, his name was registered in the Guinness Book of World Records.

The voters returned him to the Lower House at least eight times and he has been a member of the Rajya Sabha as well. It speaks volumes about his political career as having served in the Council of Ministers under six Prime Ministers and a part of varied coalitions led by the BJP, the Congress and even the Janata Dal.

A strong pillar of the socialist movement, late Mr. Paswan worked for the cause of social justice and empowered the most marginalized sections of the society. He constantly affirmed social and political equity that won him a staunch following across the country. He is considered instrumental in the implementation of the Mandal Commission Report in the 1990s and went on to form his own Lok Janshakti Party (LJP) in 2000.

He held the posts of Union Minister of Labour and Welfare, the Union Communications Minister and even the Coal Minister in different coalition governments. Under the UPA alliance, he was the Union Minister in the Ministry of Chemicals and Fertilizers and Ministry of Steel. He even went on to form the Fourth Front along with Laloo Prasad Yadav and was soon joined by Mulayam Singh of Samajwadi party as well.

## Consumer Affairs

The ruling Modi government invested Ram Vilas Paswan with the charge of the Ministry of Consumer Affairs, Food and Public Distribution in 2014 and he continued to hold the post in the second term while constantly working to provide justice to the consumers.

During the six plus years at the helm, he took several steps to protect the interests of consumers in the country and always stressed on the importance of ensuring quality products to the public. His Ministry passed the Bureau of Indian Standards Bill in the first term and reaffirmed that certification and surveillance are important aspects of BIS functioning. He also launched various other initiatives like the National Consumer Helpline, the

Consumer App and the Digitally Safe Consumer campaign.

His second term in 2019 kickstarted with rolling out the 100 days plan focused on creating a buffer stock of 16 lakh tonnes of pulses and 50,000 tonnes of onion, exempting stock holding limits on contract farmers, finalizing e-commerce guidelines and upgrading of consumer courts and BIS labs.

Mr. Paswan's ministry prioritized the ambitious 'One Nation, One Ration card' scheme to enable eligible beneficiaries to get food grains from any fair price shop in the country using the same ration card. He was quick to rise to the cause of the consumer and dissed the confusing rumors of a new ration card as baseless.

Corresponding to the Bureau of Indian Standards Act, the mobile app BIS-Care was launched in July this year along with three portals on Standardization, Conformity Assessment and Training of e-BIS. Consumers can use the app to check the authenticity of ISI-marked and hallmarked products and lodge their complaints as well.

Credit for bringing the path-breaking new Consumer Protection Act, 2019 is due to late Mr. Paswan. It took months and years of grueling efforts to introduce the revolutionary concepts of a central regulatory authority, product liability, mediation, misleading advertisements and coverage of e-commerce and direct selling transactions. Since then, he was constantly interacting with various industries and representatives such as FICCI, ASSOCHAM, CII, DICCI, Amazon, HUL, P&G, Vodafone, Zomato and PAYTM to clarify various provisions and influenced them to commit to work together for providing consumers quality products and services.

After holding fort as President for nearly two decades, Mr. Paswan handed over the reins of the Lok Janashakti Party to his son, Chirag Paswan in November, 2019. The veteran politician passed away on 8th October, 2020 at a hospital in New Delhi following a bypass surgery. He had been hospitalized for over a month and his demise was just a few days before the Bihar Assembly Elections 2020.

Prime Minister, Narendra Modi's tweet says it all, "I am saddened beyond words. There is a void in our nation that will perhaps never be filled. Shri Ram Vilas Paswan ji's demise is a personal loss. I have lost a friend, valued colleague and someone who was extremely passionate to ensure every poor person leads a life of dignity!" ■

## Evolving Trends In Consumer Behavior Unfazed By The Pandemic

Consumers in China, India, and Indonesia consistently report higher optimism than the rest of the world, while those in Europe and Japan remain less optimistic about their countries' economic conditions after COVID-19.



**THE THING ABOUT** trends is that they keep changing – be it in fashion, technology or human behavior. It has a disrupting effect even as it drives the momentum in the marketplace. This can also evolve into a game-changer for everything from values and perceptions to demands and expectations. The last eight months have been disconcertingly distressing – the fear of the unprecedented pandemic compounded by the unexpected lockdown has turned everything topsy-turvy around the world.

While consumer behavior has changed in a startling manner in an attempt to grapple the perplexing Covid-19 crisis, some of the trends that emerged before the pre-coronavirus days continue to hold ground in the 'new normal' as well.

Indeed, the attitude of the Indian consumer has shifted considerably riding on the back of rising incomes and exposure to new technologies. These trends were first emphasized in 'A Survey Designed to Uncover Future Consumer Trends' undertaken by the Boston Consulting Group's Center for Customer Insight (CCI) late last year. The CCI surveyed people living in the biggest metro areas, as well as in tier 1, tier 2, and tier 3 cities to uncover the latest consumer trends in urban India. The pandemic has further reinforced these trends that goes on to show that this kind of consumer behavior is here to stay.

### Information-Centered Shopping

The days of entering a store and speaking to the salesman before deciding on a product purchase are well and truly over. The smartphone has brought information to our pockets and fingertips. We Google everything without a second thought. Consumers will pull out their mobiles and the information they find online is most likely to drive their purchase decisions.

The survey further reveals that 85% of consumers check at least two data points (beyond prices and discounts) and roughly 50% take this research online. The trend is to know everything about what you are buying – be it smartphones, handbags or even a pack of noodles. The consumers want to find out everything from the features, manufacturing and expiry dates to product reviews and expert comparisons with alternative products. Many will even read the fine print on the pack before buying or any product literature they can lay their hands on.

### Time-Saving Products and Services

Shopping online is not an enforced 'new normal' courtesy the Covid-19 pandemic. This shift in habit has been evolving for more than a year due to its potential to save time that can be easily used for other activities. Therefore, the shift is towards shopping online at Pepper Fry or Urban Ladder rather than the protracted option of doing the rounds of brick-and-mortar furniture stores, forget the long-drawn-out method of engaging a carpenter

to build the furniture from scratch. Similarly, urban Indians prefer to buy their groceries on Big Basket and engage a handyman on Urban Clap rather than going the conventional route of yore.

This trend of buying also reinforces the safety element which has taken precedence today. In fact, 57% of urban Indians had paid for products or services that save them time even before the pandemic. These numbers are sure to have enlarged considerably post the lockdown!

### Embracing Health and Wellness

Health consciousness had already seeped into the collective consciousness of the population. Physical fitness gained priority emphasized by the need to not just look but also feel good. This has been further reinforced by the medical emergency mocking us in the face. We are suddenly confronted by our own mortality and the fears are driving us to lead a healthier lifestyle. The burgeoning stress levels have made maintaining sound mental health prominent as well.

The survey reveals that 57% of consumers spent on food, gadgets and services related to health and wellness. This includes 46% of consumers who willingly spent their hard-earned money on health checkups, gym memberships and diet consultations, and 40% of consumers were spending on healthier food. The percentages have shot up further with many new fitness enthusiasts rolling out their yoga mats or dancing to the zumba beats in front of their laptops and smartphones for online sessions.

### The Female Decision Maker

We have long bid goodbye to the days when the man of the house was the sole breadwinner and the decision maker as well. The survey reveals that it is the woman who makes the final decision for the majority of the purchases in at least 54% of the common categories. It's not just about simple domestic goods and services or even consumer durables either. In fact, a whopping 51% of Indian women have the final say in their families' leisure travel plans and 44% for the bikes and scooters. The trend continues post lockdown as well. So, the businesses know who to woo in the future.

### Preference for Indian Brands over International Ones

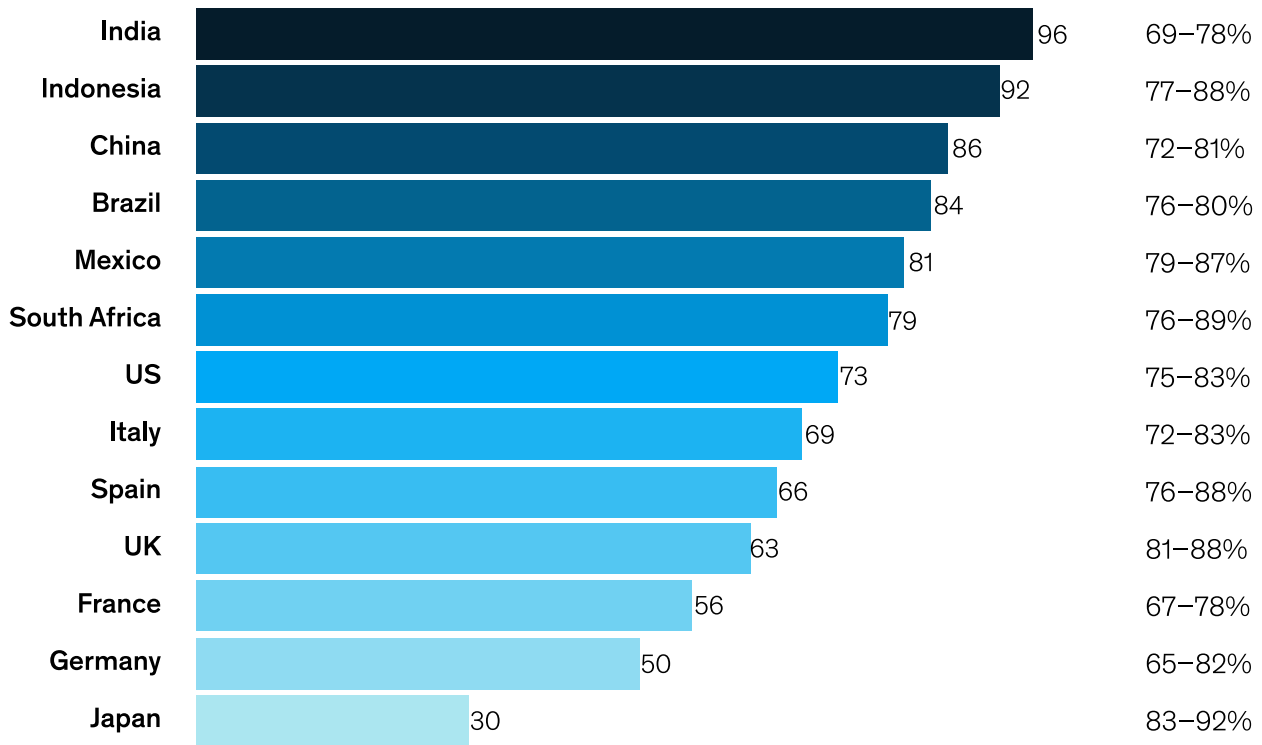
Even before Prime Minister Narendra Modi raised the 'Be Vocal About Local' pledge, as many as 50% of Indian consumers were bypassing international brands in favor of an Indian brand in at least one category. The trend is strongest in food, including staples and packaged beverages with 47% of the respondents opting for locally produced products. Personal and home care products as well as apparel are tied for the second place, with about one-third of the respondents consciously buying Indian brands in place of the erstwhile-preferred international

## There's a spectrum of purchasing loyalty exhibited by consumers around the world.

### Customers who have tried new shopping behaviors since COVID-19<sup>1</sup>

% of respondents

Intent to continue<sup>2</sup>



<sup>1</sup>Q: "Since the coronavirus (COVID-19) situation started (i.e., in the past ~3 months), which of the following have you done?" The chart excludes % of consumers selected "none of these."

<sup>2</sup>Q: "Which best describes whether or not you plan to continue with these shopping changes once the coronavirus (COVID-19) situation has subsided?" Possible answers: "will go back to what I did before coronavirus"; "will keep doing both this and what I did before coronavirus"; "will keep doing this and NOT go back to what I did before coronavirus." Intent to continue includes respondents who selected "will keep doing both this and that I did before coronavirus" and "will keep doing this and NOT go back to what I did before coronavirus."

Source: McKinsey & Company COVID-19 Consumer Pulse Surveys, conducted globally September 18–30, 2020

ones. The emerging belief is that Indian manufacturers are more familiar with the consumers' needs and preferences. The trend of going local is more prominent among the older age group of 45 to 59 years with 58% of them trying to buy 'Made in India' goods and services.

Sustainability is also emerging as a key driver impacting shopper behavior. The value proposition is to be environment friendly in the form of zero waste, package free, plastic free and reduced carbon footprint as much as possible.

It's heartening to note that the craze for 'foreign' and 'imported' labels is waning on the one hand and value of sustainable Indian products is getting the much-needed fillip on the other. The country's leader's call to purchase and promote domestic products for encouraging self-

reliance will go a long way in inflating these initial numbers.

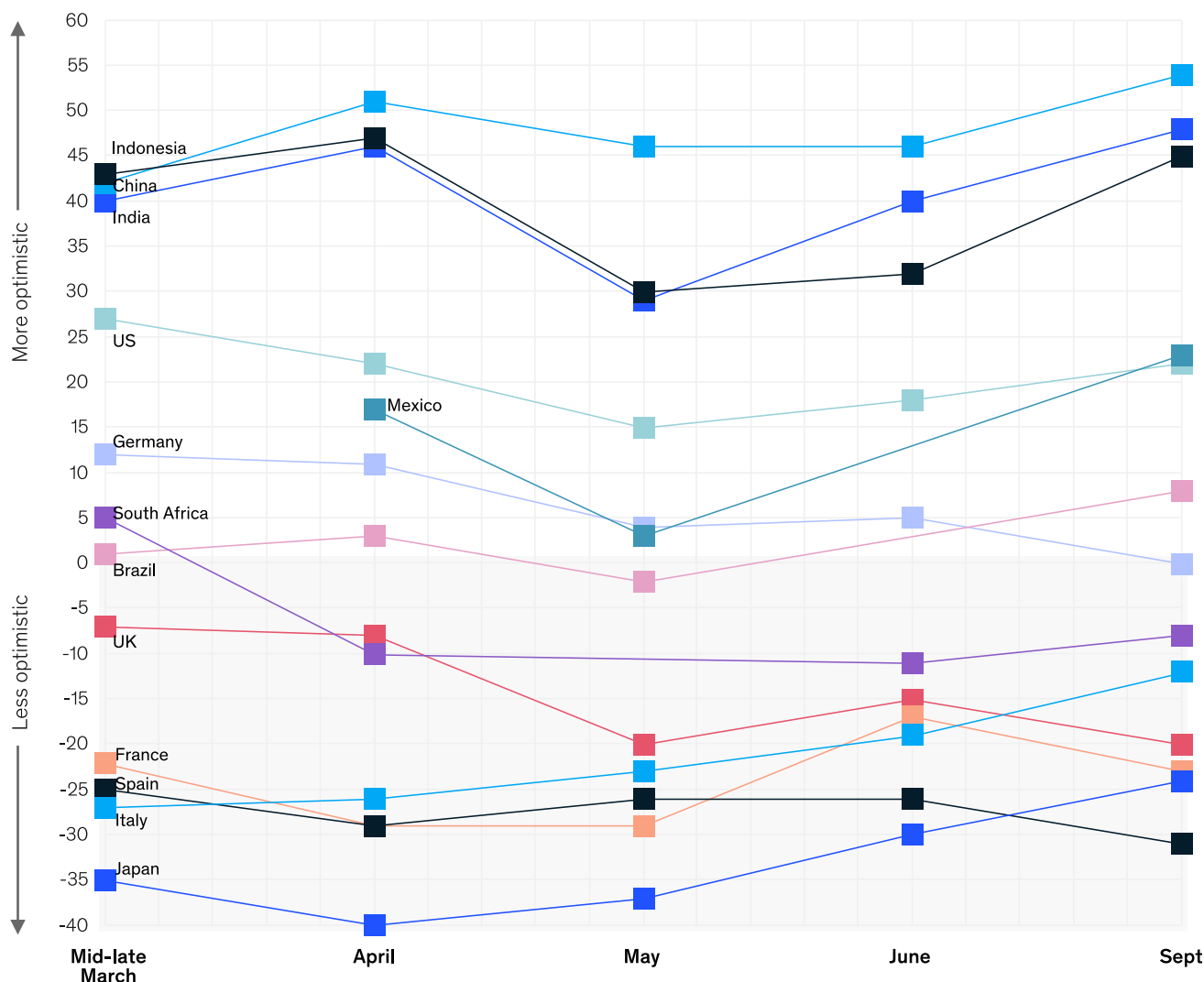
### Penchant for Customization

General and mass-produced products no longer cut the ice with urban Indian consumers. They are looking for that extra tang and something special that differentiates the product, the brand or the shopping experience. The companies need to start engaging the consumers on a more personal level and market to their specific individual needs and interests to create a cohesive experience. This kind of targeting can get tricky as consumers are big on personalization, varying from individual to individual.

## Consumer sentiment varies greatly across countries impacted by COVID-19.

### Optimism about country's economic recovery after COVID-19<sup>1</sup>

Net optimism %<sup>2</sup>



<sup>1</sup>Q: "How is your overall confidence level on economic conditions after the COVID-19 situation?" Rated from 1 "very optimistic" to 6 "very pessimistic."

<sup>2</sup>Net optimism is calculated by subtracting the percent of respondents who answered 5 "pessimistic" & 6 "very pessimistic" from the percent of respondents who answered 1 "very optimistic" & 2 "optimistic."

Source: McKinsey & Company COVID-19 Consumer Pulse Surveys, conducted globally between March 15–September 30, 2020

The evolved and emerging consumers are actually ready to pay more just to be able to experiment and personalization is what will continue to drive the game in the coming days. 56% of respondents of this survey itself admitted to have paid a premium for customization in at least one category in the 12 months prior to the survey.

### Experiences Thumbing Down Products

As many as 77% of the respondents have revealed that they paid for three or more different types of experiences

in 2019 with 37% trading down in product purchases. It has become all about spa massages instead of clothes and skydiving instead of gadgets.

While travel and entertainment have taken a backseat for obvious reasons today, people are valuing experiences more than ever before. The pandemic has further reinforced that valuable purchases like jewelry, designer wear, automobiles and other luxuries are useless baubles gathering dust today. Experiences will continue to be big in the next years as it is considered better to go for what really matters now.

## Consumers concerned about public and personal/family health, the economy, and how long the crisis will last

### Top 5 concerns related to coronavirus (COVID-19)<sup>1</sup>



1 Q: What concerns you most about the coronavirus (COVID-19) situation? (not a concern; minimally concerned; somewhat concerned; very concerned; extremely concerned)

Source: McKinsey & Company COVID-19 Consumer Pulse Surveys (China 3/23-3/30/2020 N = 1,048; South Korea 3/28-3/29/2020 N = 600; Japan 3/28-3/29/2020 N = 600; Indonesia 3/28-3/29/2020 N = 691; India 3/27-3/30/2020 N = 582)

### Conclusion

Some of the changing trends in the consumer landscape at the beginning of the year have been underpinned by the pandemic becoming part of the fabric of the 'new normal'. Understanding the ethos of these trends and

proactively monitoring the landscape is essential for adjusting to more changes that are on the horizon.

It is going to be interesting to watch businesses prepare to grapple both the changed attitudes amid the pandemic and the trend shifts that continue to sustain. ▶

# INDIA'S **FASTEST GROWING** PATHOLOGY LAB NETWORK

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## **Our wide range of pathology services spanning over 8 major sections:**

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- Coagulation & Flow Cytometry
- Clinical Pathology
- Histopathology & Cytopathology
- Microbiology
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## Ingenious And Divergent Regulations Of The Consumer Protection Act, 2019



The new legislation contains 107 provisions as against 31 in the earlier one. It introduces an additional range of protections for the consumers to cover the novel and non-traditional market places like e-commerce portals, online sales, direct selling and multi-level marketing.

**MORE POWER TO THE CONSUMERS**

**TODAY'S ERA IS** marked as the era of consumers. The consumer is the one who oils the wheels of the economy by creating demand for different goods and services. As the end users, the actions and decisions of the consumers drive innovation, growth and economic development.

Protecting these consumers from unscrupulous and unfair practices is one of the primary duties of the state. As no country can afford to even unknowingly disregard the interest of the consumers, we have witnessed the enactment of various consumer protection laws across the globe. It's not just the developed countries alone, even developing ones are not far behind in instituting laws for protecting the interests of their valued consumer base.

In India also, the Consumer Protection Act, 1986, put the country on the consumer protection map. It was hailed by the world at large as a comprehensive, broad-based and progressive socio-economic legislation. The Act seeks to bestow six basic rights on the consumers — the right to safety, the right to information, the right to choice, the right to be heard, the right to redressal and the right to consumer education. The cardinal principle of the law is to provide quick, easy and inexpensive justice to the consumers. Moreover, this law is not just punitive or preventive in nature; it also bestows compensatory powers on the authorities so as to better safeguard the consumer interests.

The Act got the Presidential assent on 24th December, 1986 and since then this momentous landmark day is commemorated as the National Consumer Day every year to spread awareness about both the consumer movement and the consumer rights amongst the public.

However, the world has changed dramatically in the past three decades with modern technological and retail developments which did not exist way back in 1986.

Moreover, the digital revolution has profoundly altered how the consumers interact with each other and the marketplace. After a series of amendments and new bills to keep up with the times, the central government again rose to the occasion by overhauling the antiquated and outdated law and replacing it with a brand new Consumer Protection Act (CPA), 2019.

The new legislation contains 107 provisions as against 31 in the earlier one. It introduces an additional range of protections for the consumers to cover the novel and non-traditional market

places like e-commerce portals, online sales, direct selling and multi-level marketing. The highlight of the Act is pioneering concepts like 'product liability' and 'unfair contracts' that are primed to give a massive boost to consumer rights and deliver more effective protection of consumers, simply by placing greater responsibility on the producers, traders and service providers.

## Understanding Product Liability

When you purchase a product or service, you will obviously expect it to work as described without causing any harm. But what if you suffer an injury while using the product or service?

Defective or damaged goods often end up causing harm to the users even when they are using it in the appropriate manner. While this is a common and grave occurrence, the Indian laws have always maintained a historic silence on product liability. In the absence of a specific statute or legal framework, the courts were interpreting the product liability claims based on the existing laws of contract and torts like the Sale of Goods Act, 1930, the Consumer Protection Act, 1986 and the Indian Contract Act, 1872 along with the pertinent principles of justice, equity and good conscience.

The new CPA, 2019 has finally invoked a comprehensive product liability legislation by articulating the liability of manufactures and sellers for defective or faulty products and services. It defines product liability as, "The responsibility of a product manufacturer or product seller, of any product or service, to compensate for any harm caused to a consumer by such defective product manufactured or sold or by deficiency in services relating thereto".

Following this, manufacturers, product service providers and product sellers will be liable for any kind of harm caused by their defective products or services resulting in injury or death of the consumer. The harm

can extend to mental agony, loss of consortium or any other real harm, but does not include any economic loss.

In such cases, the product manufacturer, service provider or seller is held liable to compensate the consumer based on the fault or defect found in the product or service. These parties can be held jointly or severally liable based on the circumstances of the case. The rule of product liability is extended to both the sellers on e-commerce portals and the e-commerce platforms themselves.



**Manufacturers, product service providers and product sellers will be liable for any kind of harm caused by their defective products or services resulting in injury or death of the consumer.**

CONSUMER PROTECTION ACT 1986	PROVISIONS	CONSUMER PROTECTION ACT 2019
No separate regulator	<b>Regulator</b>	Central Consumer Protection Authority (CCPA) to be formed
Complaint could be filed in a consumer court where the seller's (defendant) office is located	<b>Consumer Court</b>	Complaint can be filed in a consumer court where the complainant resides or works
No provision. Consumer could approach a civil court but not consumer court	<b>Product Liability</b>	Consumer can seek compensation for harm caused by a product or service
District: Upto Rs. 20 lakh State: Rs. 20 lakh to Rs. 1 cr. National: Above Rs. 1 cr.	<b>Pecuniary Jurisdiction</b>	District: Upto Rs. 1 cr. State: Rs. 1 cr. to Rs. 10 cr. National: Above Rs. 10 cr.
No provision	<b>E-commerce</b>	All rules of direct selling extended to e-commerce
No legal provision	<b>Mediation Cells</b>	Court can refer settlement through mediation

It should be noted here that the liability of the manufacturers is considered the most. They can be deemed liable even if it is proved that they did not conduct any negligence or fraud in making the express warranty of the product.

The law has envisaged exhaustive situations of product liability claims. It provides that the product manufacturer shall be considered liable when the product-

- contains a manufacturing defect
- is defective in design
- deviates from manufacturing specifications
- does not conform to the express warranty
- does not contain adequate instructions of correct usage to prevent harm
- does not extend any warning regarding improper or incorrect usage

The service provider is deemed liable for -

- providing faulty, imperfect, deficient or inadequate service
- not providing adequate instructions or warnings to prevent harm

- providing services which do not conform to the express warranty or the terms and conditions mentioned in the contract.

While the seller's scope of liability is much lower, he will be held liable if he -

- exercises substantial control over the designing, testing, manufacturing, packaging or labeling of the product
- has altered or modified the product in any manner
- has not exercised due care in assembling or inspecting the product
- has not provided adequate instructions to the consumer as passed on by the manufacturer
- has made an express warranty independent of the warranty given by the manufacturer

The seller's liability is limited to cases where the above actions are what end up causing harm to the consumer.

There are certain exceptions to the manufacturers' and sellers' liability, like if the product has been misused despite providing due warnings or instructions, failure to adhere to installation warnings or instructions for using

under expert supervision, products which are naturally associated with commonly known dangers, etc.

To claim compensation, the consumer is tasked with proving any one of the conditions for defect or deficiency. The remedies can range from compensation to fines and even imprisonment.

Apart from the stringent product liability norms, the CPA, 2019 also authorizes its newly-constituted regulatory body – the Central Consumer Protection Authority (CCPA) - to recall or withdraw products that are dangerous, hazardous or unsafe, provide reimbursements for the consumers and even cancel the licenses in certain cases.

This signals a welcome shift from the prevailing caveat of 'Buyer Beware' to 'Seller Beware' and will finally force the hand of the manufacturers. They have to ensure safety and quality of the products as their liability quotient has increased manifold. However, greater clarity is required on some of the aspects to avoid compliance difficulties.



against the manufacturer, service provider or trader and raise a claim in this regard. The good news is that consumers can use this stipulation to challenge the contracts of banks and e-commerce platforms as well.

It will prove especially helpful in the case of the standard form contracts of these service providers which are prepared by them without any negotiation or discussion with the consumers. Consumers have no option but to agree to the unilateral terms or exclusion

clauses in order to avail the services. Now the Act provides a legal recourse and they can file a case with the State Commission or the National Consumer Disputes Redressal Commission that will study the terms of the contract and if found unfair, will declare them as null and void.

In addition to this, the new Act also expands the existing list of six types of unfair trade practices to include -

- failure or non-issuance of a bill or a cash memo
- refusal to take back or withdraw defective goods (or withdraw or discontinue deficient services) or refusal to refund the consideration amount paid within the period as stipulated in the bill (or within 30 days in the absence of such stipulation)
- disclosure of consumer's personal information to any third parties unless such disclosure is made in accordance with the provisions of any law for the time being in force or in public interest

The last provision is expressly provided to control intentional misuse or even unintentional leakage of consumers' personal data by hospitals, travel companies, banks and supermarkets.

This kind of broadening of the ambit of the consumer protection legislation will go a long way in protecting and strengthening the interests of the consumers.

## Conclusion

The CPA of 2019 is commendable for the seismic shift in its approach to consumer protection. It has expansively included the various misleading tactics prevailing in the marketplace that exploit, harm or inconvenience the consumers. The various entities like manufacturers, wholesalers, retailers and service providers will now have to stay alert and work diligently to ensure proper compliance with the various facets of this legislation.

The Act has introduced a wave of responsibility and accountability –now it needs to be clarified and implemented properly so as to appropriately safeguard the interests of the consumers. ▀

## Understanding Unfair Contracts

The earlier Consumer Protection Act, 1986 instituted complaint and redressal mechanisms for unfair and restrictive trade practices. However, unfair, unilateral or unreasonable contracts were left out of the realm and consumers had no recourse in such instances.

The new and advanced CPA, 2019 has introduced the concept of unfair contracts for the very first time in the country. An 'unfair contract' is defined as a contract between a consumer and a manufacturer, trader or service provider containing such terms which cause significant change in the rights of the consumers. This includes -

- requiring an excessive security deposit for the performance of the contractual obligations
- imposing a penalty for breach of contract which is disproportionate to the loss occurred due to such breach
- refusing to accept early repayment of debt even after paying the applicable penalty
- unilaterally terminating a contract without reasonable cause
- transferring the contract to a third party to the detriment of the consumer without his consent
- imposing unreasonable charges, obligations or conditions which put the consumer at a disadvantage.

A contract is deemed unfair if it contains any of the above provisions and the consumer can file a complaint



## Uniquely Identifying Trade Items

# The GS1 WAY

GS1 standards facilitate unique and universal identification, capture and share of information on products and services, from point-of-origin to point-of-sale or dispensation. Most commonly, our standards are used in barcoding of consumer items and they enable important applications such as product authentication, track & trace, product recall, real-time stocks monitoring, online selling and more.

**ALMOST ANY PRODUCT** we buy – be it a notebook, a packet of chips, a t-shirt, a cricket ball or a mobile phone – carries a barcode at the back of the packaging. We know that the series of thick and thin black lines with varying spaces and a row of numbers below are scanned at the cash desk in supermarkets and stores during the billing process.

At first glance, this simply appears to be an electronic means of pricing products to facilitate easy invoicing. However, on digging deeper, it comes to light that the barcode does not contain the price at all. On the contrary, it pertains to data about the type of product, size, manufacturer and the country of origin along with the product number, serial number and batch number. When the barcode is scanned, it locates the product details in the computer database that also includes the price. Therefore, the seller can easily modify the database to incorporate price fluctuations and offers without having to change the packaging every time.

### Where do Barcodes come from?

All product manufacturers provide barcodes and most retail stores follow barcode based inventory system. It allows for quick identification during the purchase process, tracks inventory and assists in accounting as well.



Global Standards 1 (GS1) is a global organization that introduced a unique identification code called the barcode in 1974 as a unique means of product identification. Global Trade Item Number (GTIN) is the unique identifier for products developed by GS1 that works across the world and forms the base of the GS1 system. It encodes a product identification number that makes it easy to track, process and store the product. Today, more than 100 million products carry the GS1 barcodes and they are scanned over six billion times every day.

GS1 manages different types of GTINs like UPC/EAN (for consumer goods), GS1 Data Matrix (for healthcare products), GS1-128, GS1 Databar, and GS1 QR Code. The UPC is the Universal Product Code that is standardized in the U.S.A. while EAN stands for European Article Number standardized in Europe, based on the UPC itself. GS1 is the only UPC generator in the world.

### How does GTIN work?

A unique barcode is assigned to every type of product with a different symbol for every variation of the same product – be it based on color, size or style. For instance, a particular pair of jeans that is manufactured in three different sizes with four color options in each size will require twelve unique barcodes!



Any company can apply to GS1 for the required number of barcodes and it will first issue a GS1 Company Prefix. This is a unique company identification number which is followed by a unique product number to form different barcodes for the company. This becomes the key to distinctively linking the company to its products in the marketplace. Now all the entities and trading partners of the company anywhere in the world can uniquely identify the item and easily communicate information about the same.

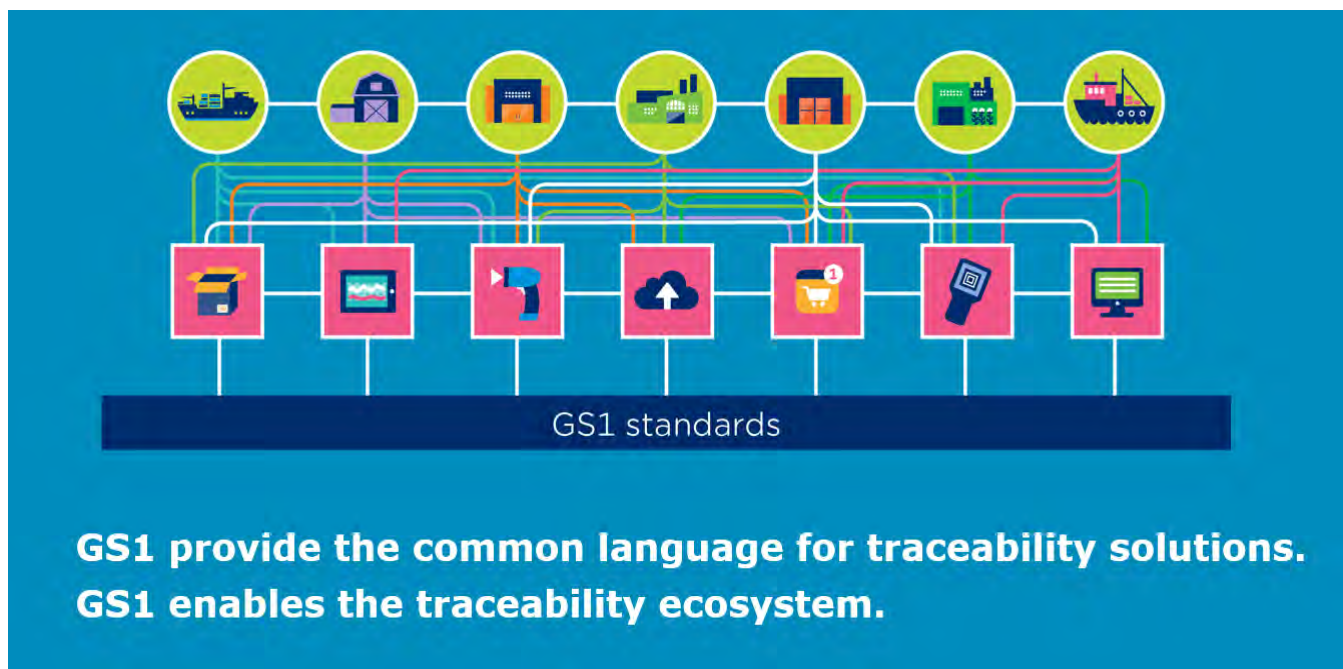
These barcodes are used by retailers to track products at every stage of the supply chain from point-of-origin to point-of-sale as well as to meet changing consumer demands. They also provide logistic benefits to manufacturers and retailers or by facilitating real-time tracking, traceability and supply chain optimization – they can know exactly where a shipment of goods is at any time, where it is coming from and also when and where it is due to arrive. It also finds usage in healthcare to deliver exceptional care and maintaining patient safety by monitoring and tracing the medications.

Apart from the usual tracking and tracing, barcodes prove to be an expedient weapon for monitoring stocks in real-time, initiating product recalls and online selling. Along with GTIN, GS1 also assigns radio-frequency identification (RFID) tags in the form of EPC (Electronic Product Code), EPC HF Gen 2 and EPC UF Gen 2.

### Getting to know GS1

GS1 is a non-profit international standards organization with 115 member countries and over 2 million user companies across 25 industry categories. It develops and maintains global standards for business communication, the most common of which is the barcode.

The standards work as a common language to identify, capture and share pertinent information about products, locations, assets and more in the supply chain. This allows different processes and systems to communicate with each other in an accurate and easy to understand manner, thus keeping the key processes running smoothly. By enabling the storing and transfer of data in a defined and similar manner, information can be exchanged smoothly between organizations. This kind of common digitalization of business processes further enhances the interoperability between stakeholders while



improving the efficiency, safety and visibility of supply chains.

GS1 barcodes have become the de-facto standard for the retail industry around the world. Every member country has its own local body of the GS1. GS1 India was set up by the Ministry of Commerce and Industry, Government of India, along with CII, FICCI, ASSOCHAM, FIEO, IMC, BIS, Spices Board, APEDA and IIP to assist the industry to adopt global GS1 standards in their retail and supply chains. The barcodes issued by GS1 India work as a verified label that denotes compliance with the requirements laid down by FSSAI and AGMARK for getting license numbers.

As Ravi Mathur, CEO at GS1 India has rightly pointed out, “GS1 standards are global standards that enable businesses to uniquely identify, accurately capture and seamlessly share information on products, logistics units, locations, entities, documents and services across supply and demand chains”.

GS1 India uses the cloud-based DataKart service to maintain a repository of the attribute details of the retailed products. Manufacturers and brand owners can directly upload their product data to provide accurate, trusted and updated information.

### Benefits to consumers

When industries use GS1 standards, consumers gain in terms of enhanced product availability, safety and security. They are empowered to make better purchasing decisions, both when shopping offline and online. The barcode is considered a sign of product authenticity and works as a validation for the consumers. It helps in recognizing and prevent counterfeiting.

With consumers becoming more and more conscious about what they buy and use, they are no longer content with relying on the claims printed on the label of a product. The GS1 standards give them a power of traceability. Wielding their smartphones, consumers can easily scan a product barcode printed behind a package to instantly access product information, reviews, related products and even local dealers. It will throw up information about when the product was manufactured, batch it was manufactured in, date, time, packaging details, shipment details and so on.

Therefore, the consumers can check the date of manufacturing or its best before date to ascertain whether the product is within its shelf life or not. Some companies even reveal the hygiene checks, direct human contact with food and other relevant information which is all the more pertinent during the current Covid-19 pandemic situation. As this information comes from a trusted source like that of the brand owner or the supply chain partners, it is more reliable as well.

Ascertaining the certification of the product also works to build retailer credibility in the eyes of the consumer as they start feeling more confident about their purchases. This will also clarify whether the company conforms to the industry standards and maintains barcode quality or not. Therefore, companies have to ensure that their barcodes meet international standards and are printed in an app-friendly format.

In fact, GS1 India has recently developed the Smart Consumer app along with Ministry of Consumer Affairs, Food and Public Distribution, Bureau of Indian Standards and other apex trade and industry bodies. It allows consumers to scan and validate product information on labels of consumer products sold in India. It displays the

digital product information such as product's name, date of manufacture, MRP, net content, manufacturer details and consumer care details, thus working as a mark of authenticity. The app also enables consumers to directly share their feedback on products or register complaints with the manufacturers or brand owners. However, the app is still in its infancy and requires stronger support and maintenance system for it to be truly productive.

### GS1 Digital Link

Consumers have long been demanding a single, seamless retail channel by which they can communicate with the various brands, retailers and healthcare suppliers.

GS1 has risen to the occasion by redefining how its existing identification system can be used in web applications in the form of one data carrier that performs multiple functions



Digital Link will enable connections to all types of business-to-business and business-to-consumer information. So, if a manufacturer or brand owner adds a QR code or NFC tag to a product using the GS1 standard means, it is not just providing a simple URL but also carrying GS1 identifiers.

In this way, the GS1 identifiers - like the GTIN - now become a part of the web itself, thus becoming a gateway to detailed product information right at the fingertips of the consumers. These identifiers are relied upon throughout the industry – given that they follow a non-proprietary, no vendor-lock system, the brand owner remains in complete control but can still link to any number of information sources, all from one symbol.

Thus it saves space even as it improves efficiency.

As the digital link is not a substitute for the standard itself, there is no need for getting a new GTIN either. Manufacturers, distributors, retailers and other entities can continue to use the same barcode for varied purposes in the future as well.

Yet, now the GS1 Digital Link opens the prospect

**The GS1 Digital Link works with all standard GS1 data carriers. Companies are therefore not forced to switch to new technologies. Instead, they can conveniently retain their existing data carriers. The basis for this is the so-called Uniform Resource Identifier (URI), which makes the existing codes available online.**

and reduces the need to add further data carriers. Now scanning a single barcode will connect the consumer to a wealth of online information about the physical product. It can ably support different processes of multiple partners and serve multiple needs, based on GS1 standards. Therefore, this works as a more consistent representation of GS1 identification keys within the web addresses to link to online information.

Known as GS1 Digital Link, the seamless channel links a product to varied sources of related online information with just one scan itself – the scan will throw up everything from the product details and images to recall status APIs, traceability information, nutritional data, warranty registration, troubleshooting instructions, brand promotions, augmented reality experiences and social media. This works especially well in the field of healthcare as the GS1 Digital Link standard helps reinforce the One Barcode initiative.

Indeed, while a URL naturally opens the door to a single specific website only, the revolutionary GS1

of using a single barcode to access digital information about the product for the consumers.

The digital link works by leveraging the power and ubiquity of the web along with data carriers like QR codes. Resolver services work behind the scenes to make this possible - they redirect requests to specific types of related web information. The GS1 resolver is a free, high performance service. All related code is available as free and open-source software on GitHub.

### Conclusion

GS1 has transformed the way in which data is shared with consumers, business partners and various other entities. It has enabled scores of products, shipments and assets across the world to now be connected to the web to provide information to consumers with just one single scan of a barcode. So next time you buy a product, don't forget to scan the GS1 standard to get answers to everything you want to find out about your purchase and a lot more. ▶

## **A CLARION CALL FOR UNIVERSAL HEALTH COVERAGE**



Healthcare expenses alone pull approximately 7% of the population below the poverty threshold every year.

**EVEN AS WE** race towards completing 75 years of Independence, the country is still reeling under a historical neglect of healthcare. The public healthcare system continues to be in the doldrums, battered by shortage of medications, equipment and qualified doctors. So much so that, any self-respecting person will never walk into a municipal hospital unless and until driven by extreme poverty. In fact, even the people struggling below the poverty line try to squirrel away some of their meager income as a nest egg for medical emergencies in the hope that it will suffice for private treatment.

But, our private healthcare system caters exclusively to those who can afford it, that too in a big way. Even the upper middle class often finds themselves reeling under the exorbitant medical bills characterized by overinflated surgery charges, room rates, diagnostic charges, doctor visit fees and prescription medications. God alone can save those who don't have insurance coverage.

If truth be told, the situation is so debilitating that healthcare expenses alone pull approximately 7% of the population below the poverty threshold every year.

## Health – A Fundamental Human Right

The World Health Organization (WHO) declared health as a fundamental human right in its constitution in 1948 enshrining the words, "The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition". 'Health for All' was adopted as the prime agenda through the Alma Ata declaration in 1978. A progressive realization of Universal Health Coverage continues to be a universal feature of all the United Nations' Sustainable Development Goals.

This means that each and every person in every corner of the world should be able to access quality healthcare facilities whenever needed irrespective of whether he or she has

the money to afford the required medical treatment.

## Current Scenario

The Indian governments have been instituting various policies and mechanisms to provide healthcare to all the citizens. The Central Government Health Scheme (CGHS), Employees' State Insurance (ESI), National Rural Health Mission (NRHM), Rashtriya Swasthya Bima Yojna (RSBY) and the recent Pradhan Mantri Jan Aarogya Yojana (PMJAY) are particularly noteworthy but tend to get bogged down by lack of awareness, low enrolments, corruption and skewed coverage.

While poor households have been reaping some benefits of these programs, the provisions mostly turn a blind eye to the temporary workers and others struggling in the unorganized sector. These marginalized folks survive on the periphery of the society without easy access to even basic healthcare.

Alas, we do not have even a modicum of claim to universal health coverage. The recent Ayushman Bharat initiative is definitely laudable as it has finally managed to extend health coverage to all the economically vulnerable sections of the society. It is also being expanded to include the middle class as well.

While both secondary and tertiary hospitalization has been made completely cashless, there is an urgent need to bring outpatient costs into the net of health coverage. Moreover, it is the out-of-pocket expenses on medications and diagnostic services that weigh down the budget of both the low and middle class population.

So dire is the situation that as much as 70% of healthcare expenses in the country still form an out-of-pocket expenditure for the consumers.

## When the Pandemic Hit

The unprecedented Covid-19 pandemic has shined the light on the wretched condition of our public healthcare centres. It is when even well-heeled folks had to seek



emergency medical facilities in the government hospitals that the gruesome condition had become the hot topic of WhatsApp chats and Zoom calls. People were more terrified of visiting a public healthcare centre than contracting the novel coronavirus.

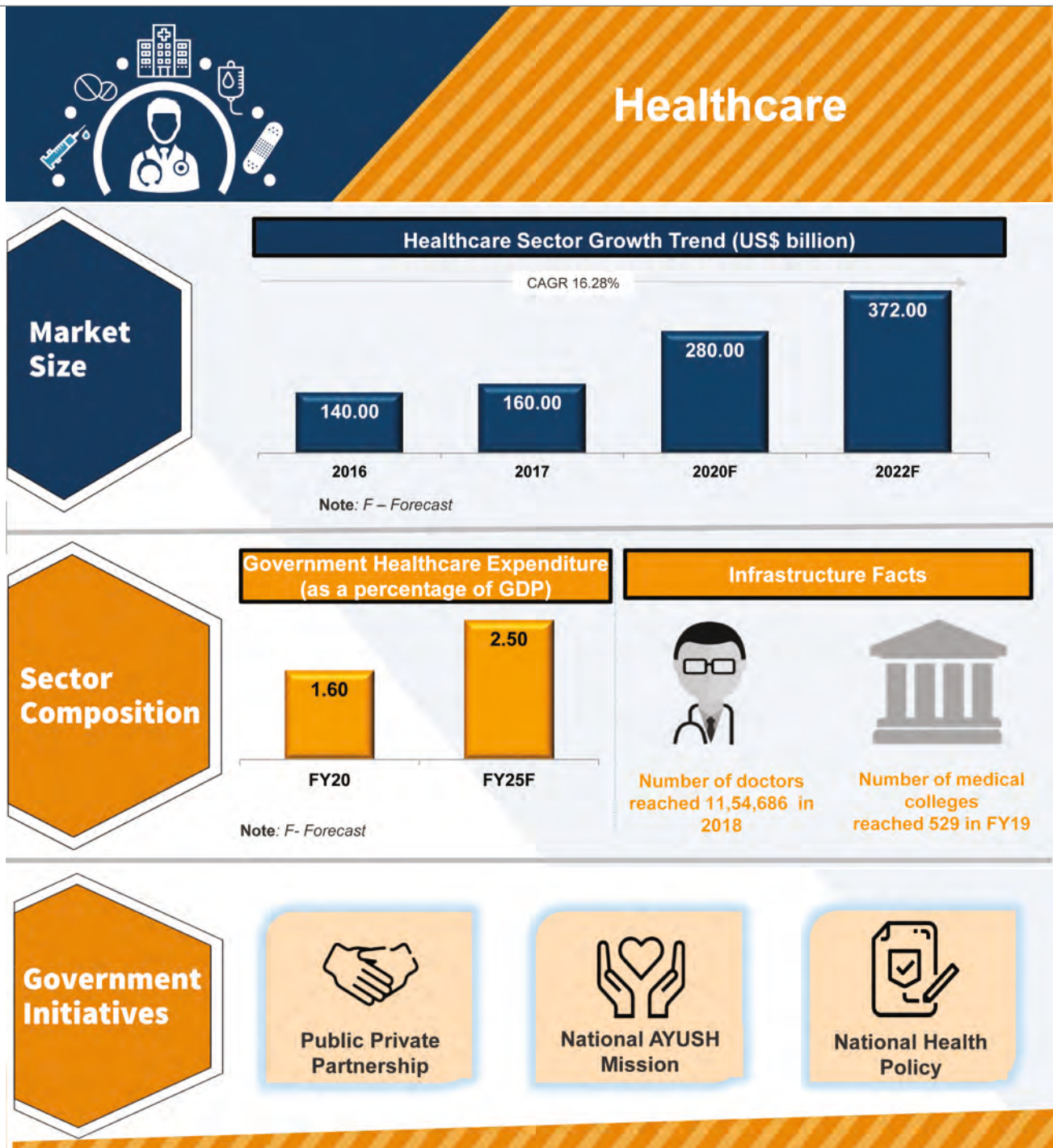
The glaring reality is that both the public and private healthcare sectors put together are also proving inadequate to meet the needs of the entire population. Moreover, the focus is mostly on diagnostic and curative services with promotive, preventive, and rehabilitative services being left out of the ambit. And only 20% to 25% of the people are covered under a public/private health insurance scheme.

What is unacceptable is that despite being the largest producer of generic medicines in the world, we still lack access to essential medicines within the country.

## The Road Ahead

Despite the slew of governmental measures, it is obvious that as a nation we have abysmally underinvested in healthcare. The public health expenditure barely averages around 1.4% of the GDP with ambitious plans to scale it up to 2.5% by 2025.

But this will be too little too late. What we need is a vigorous budgetary allocation of at least 5% for healthcare. This may sound overblown and fanciful, but consider that the world average stands at 6%. Moreover, most of the developed and even the developing countries have managed to achieve universal health coverage by way of considerable budgetary allocations.



In fact, the WHO has laid out four key financing strategies for achieving universal health coverage - increasing taxation efficiency, increasing government budgets for health, innovation in financing for health and increasing development assistance for health. Countries like Germany, United Kingdom, Sweden and even Cuba have actually managed to achieve universal health coverage with state-funded health care systems,

compulsory insurance coverage and substantial budgetary support.

### Concluding Remarks

It's high time our country gets a strong, efficient and well-regulated healthcare system. This should be universally accessible and affordable so that everyone can avail the service –even if they cannot pay for it. In addition, the quality of the

health services should be appropriate for improving the health of the patients. It should not cause financial harm to the recipients.

The Ministry of Health has to rise to the occasion and demand a much bigger health budget. It should also involve the private sector in achieving universal health coverage. This is what will pave the way for all-round consumer protection and sustainable economic growth. ▶

## Moulding Consumers

**THE GOVERNMENT IS** doing its bit for protecting the interests of the consumers and enforcing their rights. The new Consumer Protection Act, 2019 has ushered in an array of new protective measures in e-commerce, direct selling and misleading advertisements, in keeping with the digitalization of the economy. Novel concepts like product liability and mediation have been introduced for the very first time.

Even the old systems like complaints and redressal have been given a facelift to update the mechanisms and make them simple, quick and user-friendly. The centre and states are instituting various regulatory and executive bodies to implement the Act. Even the consumer awareness programs are being undertaken on a war footing.

But the government and its branches and departments can only do so much!

### **The prevailing attitude and inclination**

Now the onus is on us consumers to rise to the occasion and avail our rights. Do not take things lying down anymore. Indeed, it is high time we shed our lackadaisical 'chalta hai' attitude and take charge of the situation.

As a society, we are used to being manipulated and cheated by the traders and service providers. An atmosphere of distrust pervades our dealings in the marketplace.

Yet, we have made ourselves wont to accepting the unfair trade practices as our stock in life – the only thing most of us do is crib about the rampant frauds, misrepresentations and unscrupulous behaviors we encounter in our day-to-day transactions with sellers and manufacturers. Berating the companies becomes the hot topic of vociferous water cooler or drawing room discussions at the most with people trying to outdo each other with stories of their 'sordid experiences'!

Think about it – how many of us actually take proper action when we get a defective product, a deficient service or face some other malpractice. We may voice a complaint to the store or manufacturer, threaten them with legal action and post it on our social media feed at best!

It is a moment of great joy if the shopkeeper offers to exchange the product, the service provider



# Into Responsible Citizens

refunds the charges or a customer care center issues an apology. If such repentant actions are not forthcoming, the most we do is stop using the said product or shift our shopping to another store to 'teach them a lesson'!

But will this restrict them from continuing with the same actions and behaviors in the future? How do we bring in authenticity and accountability into the dealer-consumer relationships?

## Consumers have agency....

The government has put some very potent tools at our disposal. We are no longer at the mercy of the manufacturers, retailers or service providers.

It is high time we become proactive and take the plunge. The governments are doing so much to keep us informed about the laws and other machinery instituted for our protection. They want us to be aware of the different ways in which we may be cheated as consumers. We have to pay conscious attention to the messages and exercise our rights whenever it is needed.

## Speak up... but in the right way

Stay alert to misdoings and do not hesitate to raise your voice when you find that someone is defaulting, duping or taking advantage of your interests. Ask questions when a product is compromised or service quality is subpar. Bring instances of inferior quality of products or services, food adulteration, price manipulations, artificial scarcity and other evil behaviors to the notice of the proper authorities.

ready to raise their voice on our behalf and will even file a case in court. They also provide appropriate counseling and guidance on the veracity of the situation and how best to take the bull by the horns.

So, if you don't like something or face a wrongdoing as a consumer, it may seem inconvenient and time-consuming in the beginning. But the proceedings can be fruitful and eliminate the vain dissatisfaction at your end. It will inure you and others like you in the future as well!

## Small shifts are underway

It is not as if everyone stays silent all the time. Some woke consumers do make it a point to stay conscious of their rights, be attentive to what is happening around them and use the state machinery to take a stand against the unjust, unfair and unscrupulous wrongdoings.

The lone voices and actions do build up the tempo and ignite responsive behavior from others. They bear results and can even catapult into the voice of the nation. For instance, the movement of boycotting Chinese goods is building steam and even the government has drawn the line with its 'Atmanirbhar Bharat' and 'Make in India' campaigns. The famous pre-Independence Dandi Satyagraha by Mahatma Gandhi is a case in point.

However, more concerted, ongoing and active efforts are required to keep the consumer movement live and kicking.

## In Conclusion

One National Consumer Day after another may come and go, but all the consumer protection activities and

**Behavioral science tells us that identifying consumers' new beliefs, habits, and "peak moments" is central to driving behavioral change.**

Why do we hesitate to file a case against deceptive or unreasonable practices in the appropriate forum? There are government officials to deal with consumer affairs and regulatory agencies that will take action on our grievances. We don't even have to hire a lawyer or incur heavy legal charges. The government allows consumers to represent themselves and it is taking continuous measures to ensure that the justice is delivered in as simple, quick and inexpensive manner as possible.

We can even approach voluntary consumer organizations with our tribulations and they are more than

awareness programs are tantamount to nothing until we take cognizance of our rights. After all, it is only when we wake up and start taking action that a true consumer revolution will be underway. The manufacturers, the sellers and the corporates will have no choice but to stop and smell the roses – give up their devious means and mould themselves into more customer-centric entities.

Then and only then can the consumer truly become the King! ▶

## When Consumer Wins, No One Loses!

There are many factors contributing to the success (or failure) of a business, customer satisfaction is one of them. It's important to track this factor and work on improving it in order to make your customers more loyal and eventually turn them into brand ambassadors.

**WE ARE ALL** consumers at the end of the day, one way or the other.

This follows from the simple definition of a consumer – one who buys products and avails services. This is in contrast to manufacturers who produce the goods or services and wholesalers or retailers who distribute and sell them. Therefore, we are all consumers either directly or indirectly to the extent that there would be no society without consumers.

Driven by a quest for profits and success, businesses often mistreat and mislead their customers. They resort to unfair and unscrupulous practices that abuse the consumers' interests. The government tries to protect the rights of the consumers and ensure their welfare with various constitutional provisions, laws and regulations that make the businesses accountable and keep them in check.

However, the sad fact is that most of the consumers are ignorant of their rights and have become accustomed to helplessly enduring the exploitation as part of the game. A large part of the population is poor and illiterate; even the well-off, urban and educated consumers remain blissfully unaware of the measures instituted by the government for their protection.

There is a great need for the consumers to become conscious of the rights that they can exercise in the face of defective or spurious goods, deficient services, adulteration, hoarding, misleading advertisements, price discrimination and other fraudulent activities. Consumer awareness campaigns will also give them the knowledge of the use, benefits and drawbacks of different products and services, their reviews, recalls and other pertinent information. Consumer awareness is what translates into customer satisfaction as well as economic growth.

## Consumer Awareness in Practice

The government keeps making concerted efforts to enlighten and educate the consumers about the rights they can invoke to protect themselves from exploitation. In this regard, it has instituted a separate Department for Consumer Affairs under the Ministry of Consumer Affairs, Food & Public Distribution to not only administer the consumer policies but also create a palpable awareness among the consumers vis-à-vis their rights and duties.

Let's take a look at some of the laudable initiatives:

- It undertakes multi-media campaigns in both print and electronic media to raise awareness about ISI, Hallmark, MRP and labeling. It also publishes advertisements related to issues in telecom, real estate, credit cards, financial products, pharmaceuticals, insurance, travel services, food safety and other sectors.
- It has entered into a tie-up with the Publication Division of the Ministry of Information & Broadcasting to print consumer awareness articles and advertisements in their journals like Yojana, Kurukshetra, Bal Bharti, Aajkal and other regional editions.
- The department regularly showcases its consumer awareness initiatives in relevant exhibitions and trade fairs by putting up stalls, distributing brochures, playing video ad spots and deputing representatives to provide on-the-spot guidance to the visitors.
- It also telecasts video spots containing consumer related information during popular sports events.
- The nationwide "Jago Grahak Jago" campaign uses print, audio and video campaigns to spread information about the consumer rights along with the government initiatives that will enable them to make informed purchase decisions. This specially targets the remote and rural areas.
- It circulates Meghdoot postcards with consumer awareness messages to reach the far-flung regions of the country like the northeastern states. Poster messages are also displayed in many rural and urban post offices.
- It invokes the extensive power of the internet by uploading the print, audio and video advertisements on the department's website, [www.consumeraffairs.nic.in](http://www.consumeraffairs.nic.in).
- The Digitally Safe Consumer campaign was launched in partnership with Google India to raise awareness among consumers about how to stay safe on the internet during everyday tasks like emails, e-commerce, financial transactions and just surfing for information. It also educates the consumers about managing their digital footprint.
- The department launched the Grahak Suvidha Kendra as a one-stop consumer care center to offer professional advice and counseling to people struggling with everyday consumer problems. They also provide information on consumer rights, redressal mechanisms, how to draft complaints and so on. The centers are outsourced to expert independent consumer organizations in the country to promote consumer education and empowerment.
- It has also launched a National Consumer Helpline covering various modes –consumers can call 1800-11-4000 or short code 14404, check the website [www.consumerhelpline.gov.in](http://www.consumerhelpline.gov.in) or use the National Consumer Helpline mobile app to get consumer information as well as register their grievances.
- It grants aid and other assistance to state governments and union territories to carry out consumer awareness campaigns in the local media and in the local language to reach rural, remote and backward areas and reduce ignorance about their rights.
- The Ministry of Consumer Affairs has even instituted Consumer Clubs to mobilize and sensitize students about consumer rights. These youngsters can spread the message of consumer rights and product knowledge in the society while encouraging people to boycott defective and poor quality goods and services as well as complain against weight manipulations, higher prices, artificially-induced scarcity or other forms of cheating.

Apart from the government initiatives, many voluntary consumer organizations and individuals also keep striving to spread consumer education and awareness by conducting different kinds of seminars, workshops and awareness campaigns on a regular basis. Some also publish brochures and journals to educate consumers on how to help themselves and make the right choices.

## Bridging the Gap

While there does seem to be better awareness among the consumers than earlier, we still have a long way to go.

Illiteracy, poverty and blind values have emerged as a major stumbling block in the path of consumer awareness. Even the clued-up consumers are steeped in the belief that they cannot fight the scrupulous manufacturers or traders and all their efforts will be of no avail.

The government needs to ramp up its media campaigns to educate the consumers about their rights regarding asking for the best possible services, safeguarding themselves from exploitation and seeking redressal for their problems. It can also task local bodies like gram panchayats and municipalities to work towards generating consumer awareness in their respective areas. More proactive consumer legislations and effective implementation of the same is also essential.

Above all, consumer protection should be made a compulsory subject in higher standards in schools so that the next generation becomes more aware about how they

are exploited and what they can do to prevent such occurrences. The study courses on consumer interests should be prepared with utmost care and diligence. As the President of Consumer Guidance Society, Andhra Pradesh, Mr. Divakar Babu rightly remarked on the occasion of World Consumer Rights Day this year, "There is a need to educate children from the school level on consumer rights. One cannot exercise his rights effectively unless he knows that such things are provided by our Constitution".

While the government seems to be primarily operating on its own till now, it should openly seek support from the public in increasing consumer awareness. Some of the measures can include encouraging people to join voluntary consumer associations, employing unemployed youth as volunteers for spreading consumer awareness messages and appealing to educational institutions to organize seminars, workshops, lectures, discussions, essay competitions, quizzes etc. on issues related to consumer protection. The schools and colleges can even organize complaint centres to guide consumers on what to do when they are sold faulty or inferior goods or find services to be poor and deficient.

## Conclusion

Consumer awareness is a building block of consumer protection. After all, the laws will prove beneficial only when the consumers are aware about them and use them to seek justice and fight back against the dishonest and ruthless players on the other side. ▶



सत्यमेव जयते  
DEPARTMENT OF  
CONSUMER AFFAIRS

# Know Your Rights



Right to

**SAFETY**

Right to

**CHOOSE**

Right to Consumer

**EDUCATION**

Right to be

**INFORMED**

Right to

**REDRESSAL**

Right to be

**HEARD**



## The Evolving Face Of CONSUMER PROTECTION

The Consumer Protection Act, 2019 provides enhanced protection to consumers by widening the net to include e-commerce transactions along with telemarketing, direct selling and multi-level marketing models.



**INDIA HAS TRANSFORMED** into a global marketplace. We are spoiled for choice - inundated with scores of options across product and service categories. Driving the ever-rising demand in the marketplace and accounting for two-thirds of all spending in the economy, it should follow that the consumer is king and is always considered right.

However, reality paints a contrasting picture with the naive and vulnerable consumers actually being exploited at every turn. There was shortage of consumer products, black marketing, monopolies, hoarding and adulteration in the early days. Unfair and unscrupulous trade practices, fraudulent goods, fake weights, incomplete information on packaged products, misleading advertisements and other misrepresentations and manipulations rear their ugly head till date.

### The Government Intervention

Ensuring consumer welfare is the primary responsibility of the State. After a markedly lackadaisical attitude in the initial years of Independence, the Indian Government did come forward to don the mantle of the protector of consumer rights. It inculcates consumer protection with a two-pronged approach – a slew of legislative measures on the one hand and consumer

education and awareness programmes on the other.

Some of the progressive laws in the field of consumer protection include the Prevention of Food Adulteration Act, 1954, The Essential Commodities Act, 1955, Standards of Weights and Measures Act, 1976, Prevention of Black Marketing and Maintenance of Supply of Essential Commodities Act, 1980 and the Bureau of Standards Act, 1986. But the most noteworthy legislation that attempts to protect and preserve consumer rights is certainly the Consumer Protection Act, 1986.

This changed the face of the consumer protection movement in the country and propelled India as a pioneer of consumer advocacy. The basic premise of the Act was to provide simple, speedy and inexpensive justice to the consumers. Accordingly, it instituted a unique three-tier framework of quasi-judicial bodies at the district, state and national level for redressal of consumer complaints, popularly known as Consumer Courts. It also provided advisory bodies in the form of Consumer

Protection Councils at the central, state and district levels. This finally empowered the consumers to file cases against defective commodities, deficient services and other malpractices while seeking compensation.



## Other Initiatives

- The Consumer Welfare Fund was set up in 1992 to accrue moneys that are not refundable to manufacturers and other parties. The funds are used to promote and protect consumer welfare activities, create consumer awareness and strengthen the consumer movement in the country.
- The Department of Consumer Affairs was constituted in 1997 as a separate department with a mandate to monitor prices, ensure availability of essential commodities, strengthen the redressal mechanisms and stimulate the consumer movement in the country. Since then, the department has implemented various measures like the Grahak Suvidha Kendras, the National Consumer Helpline, the UMANG app and the Smart Consumer app, to enable consumers to make informed choices and facilitate timely and effective redressal of consumer grievances.
- In 1997, the central government further mandated that all government departments and public sector undertakings should formulate their own Citizen's Charters that clearly specify the standards of service with reasonable time limits, avenues of redressal of grievances and terms for independent scrutiny.
- The government has also set up various regulatory bodies to regulate the services of private operators. Accordingly, a slew of regulatory bodies have been formulated from time to time, like the Telecom Regulatory Authority of India (TRAI), State Electricity Regulatory Authority (SERC), Insurance Regulatory and Development Authority (IRDA), Food Safety and Standards Authority of India (FSSAI) and Securities and Exchange Board of India (SEBI). These bodies ensure that the operators work in a fair and transparent manner and protect the interests of the consumers.
- The centre has also mandated the setting up of ombudsman in various sectors like electricity, banking and insurance, as an alternate dispute redressal mechanism. This official is charged with investigating consumer complaints against the institution and ensuring appropriate action for dispute resolution.

## New Legislation

Global supply chains, international trade, and e-commerce have revolutionized the consumer market. While this has brought in fresh opportunities for the consumers, it has also opened up novel forms of unfair and unethical business practices which are outside the scope of the old legislation.

Recognizing the pressing need to amplify the ambit of the Consumer Protection Act, 1986 and modernize the laws, the Parliament introduced the Consumer Protection Bill, 2019. It was assented by the President, thereby replacing the three-decade old law.

The Consumer Protection Act, 2019 provides enhanced protection to consumers by widening the net to include e-commerce transactions along with telemarketing, direct selling and multi-level marketing models. It also introduces a framework for product liability, unfair contracts, mediation and misleading advertisements to better address consumer concerns. There are some highly beneficial changes in the redressal of grievances like instituting e-filing of complaints, increasing the pecuniary jurisdiction, changes in the territorial jurisdiction and shorter deadlines to effect refunds and requests so as to ensure better protection and justice to the consumers. The penalties have been enhanced to the extent of imprisonment.

The Act has also established a central regulator – Central Consumer Protection Authority – with suo moto powers to inquire or investigate into matters relating to violations of consumer rights or unfair trade practices. This can be initiated based on a complaint received from a consumer or even on the direction of the central government. It is empowered to launch prosecution in a court and can impose penalties including monetary fines.

## A Long Way To Go

While this new legislation is technologically advanced, pervasive and valuable, it still falls short when it comes to dealing with medical negligence and accountability of public services and utilities.

Finally, the government has to take cognizance that while the laws and initiatives are a step in the right direction, they can be effective only when the public is aware of their rights. Generating proper awareness is crucial for empowering the consumers to invoke the legislations and programs for their protection. ▶

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## **NABH AYUSH ENTRY LEVEL CERTIFICATION PROGRAM**

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In the recent years, there has been a paradigm shift from allopathy system to traditional healthcare. To support this trend, health insurers have started offering AYUSH treatment covers as part of their health insurance policies. NABH Ayush Entry Level Certification Standards provide an objective system of empanelment by insurance and other third parties. These standards also address the need for quality control and quality monitoring in AYUSH healthcare as required by the Pradhan Mantri Jan Arogya Yojana (PM-JAY) under the Ayushman Bharat Scheme.

**NABH AYUSH Entry Level Certification standards are easily downloadable from NABH website.**



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