

THE AWARE CONSUMER

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www.consumerconexion.org

Out Of The Box

The Shift Of Power:
From Brands To Consumers

Report
Rise of the
e-consumer

15 March

WORLD CONSUMER RIGHTS DAY 2018

2018 aims to promote digital marketplaces that are more accessible, safer and fairer for consumers across the globe.



The Last Mile

Making Digital
Market Places Safer

PLUS

ROUND UP • HORIZONS • THE PRESCRIPTION

SUPPORT THE CAMPAIGN



LOOK OUT FOR THE RED LINE

BE RESPONSIBLE

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

SIGN THE PLEDGE.

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Campaign Partners





VIEWPOINT

BEJON KUMAR MISRA | bejonmisra@consumerconexion.org

***“Get Up, Stand Up, Stand up For Your Rights.
Get Up, Stand Up, Don't Give Up The Fight”.***

- Bob Marley

WE ARE ALL consumers, everyday, everywhere. And when things go wrong we either decide to pay the price or stand up for our rights. Sometimes that price is something small, sometimes the price can be our health, our rights, our lives. In recent decades consumer protection has improved in many countries. Yet our mission is more urgent than ever. Many consumers still lack basic protections and as the world has globalised and digitalised, changes to the global marketplace are outpacing consumer protection. Too often consumers are left at a disadvantage with the companies and governments they encounter, leaving them exposed to unsafe, unfair or unethical practice.

We want to change this and ensure that the voice of consumers is as powerful as the governments and corporations they interact with. Achieving this will ensure everyone can realise the benefits of our increasingly globalised and digital world. In a time where companies often have huge global reach we need to think big and act together.

We believe in a world where everyone has access to safe and sustainable goods and services. We must ensure consumers are treated safely, fairly and honestly and while doing so we must be resolutely independent, unconstrained by businesses or political parties.

The consumer movement marks 15th March with World Consumer Rights Day every year, as a means of raising global awareness about consumer rights and needs. Celebrating the day is a chance to demand that

the rights of all consumers are respected and protected, and to protest against market abuses and social injustices which undermine those rights.

Our March publication of The Aware Consumer is dedicated to World Consumer Rights Day and its global theme. Consumers International has announced that the theme for World Consumer Rights Day 2018 will be 'Making digital marketplaces fairer'. Building on the success of the 2017 #BetterDigitalWorld campaign, the 2018 campaign will aim to promote digital market places that are more accessible, safer and fairer for consumers across the globe.

The problem with Indian consumers is that they have low expectations, improper perception and lack of awareness about solution-options. Not only in India, these qualities of consumers are still prevalent in many more countries. The problems of consumers are high, and there is still a long way to go.

Let us hope that the noble purpose, aspiration and vision are realised very soon with the public becoming conscious of their duty to follow their respective model code both as consumers and the producers/service renders, as every individual, irrespective of their position, is a customer in one way or the other.

Consumers International has announced that the theme for World Consumer Rights Day 2018 will be 'Making digital marketplaces fairer'.





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INSIDE

REGULARS

03 | VIEWPOINT

07 | ROUNDUP

41 | AFTERWORD

THE AWARE CONSUMER | MARCH 2018



RESEARCH FEATURE

13 | Growth And Importance Of Digital Marketplaces

What is the effect of marketplaces on economic outcomes?

How should these markets be designed? What is the appropriate regulation? By necessity, this article only skims this complicated topic.



GOVERNMENT PERSPECTIVE

29 | NEW CONSUMER PROTECTION BILL 2018



"India's consumer protection traditions dated back to 2,500 years. Laws existed even in the Vedic period to prevent unfair trade practices and adulteration of products," Hon'ble Prime Minister Shri Modi.

INTERVIEW

35 | ENDURING LEADERSHIP: "WE ARE BECOMING PRO-CONSUMER"



Interview with Mr Ram Vilas Paswan, Minister for Consumer Affairs, Food and Public Distribution, Government of India.

OUT OF THE BOX



42 | THE SHIFT OF POWER: FROM BRANDS TO CONSUMERS

Companies are now using social media to deliver messaging with greater impact.

IN FOCUS

47 | CONSUMERS INTERNATIONAL COMING TOGETHER FOR CHANGE



In 1962, U.S. President John F. Kennedy moved in the United States a bill for consumers rights and the Congress passed it with earnest consideration. Originally, only four rights of

consumers had been specified. Over the years, the consumer's rights were finally given a much deserving concern and elevated to a position of international recognition and legitimacy.



THE LAST MILE

50 | MAKING DIGITAL MARKETPLACES SAFER

The internet is a dangerous place. It's up to digital marketers to make it safer.

OPINION

52 | RIGHTS AND THE COMMON MAN



Legal Education is very necessary for every person to have certain knowledge of the Law, otherwise it would become very difficult for him to tackle several problems, from consumer protection to fundamental rights.

THE PRESCRIPTION



54 | ENFORCING CONSUMERS' HEALTHCARE RIGHTS AND RESPONSIBILITIES

The Supreme Court of India emphasised the need for rendering immediate medical aid to injured persons to preserve life, and the obligations of the state in this context.

THE AWARE CONSUMER

UNLOCKING CONSUMER POTENTIAL
www.consumerconexion.org

MARCH 2018 • Vol. 3 • Issue 12

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The AWARE CONSUMER

is printed and published by

Bejon Kumar Misra

at F - 9, Second Floor, Kailash Colony,

New Delhi - 110048 and printed at

M/s. Spectrum Printing Press (P) Ltd.,

Shed No. 23, Computer Complex,

DSIDC Scheme I, Okhla Phase II,

New Delhi - 110020

Place of Publication: E - 45, Ground Floor,
Greater Kailash Enclave - I, New Delhi-110048

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Phone: 011-26271421/22/23

Total number of pages - 64, Including Covers

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SHRI RAM VILAS PASWAN

HON'BLE MINISTER FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

The Government has committed for construction 51 lakh new houses, electricity connection to 4 crore poor people, construction of 2 crore toilets, free gas connection to 8 crore poor women.



ROUNDUP



DATA BRIEFING

The consumer durables market in India is expected to reach US\$

20.6
billion by 2020.

Consumer Protection Across The Globe: Gap between protection and sustainability

Across the globe consumers are increasingly realising their power. In many countries this consumer consciousness, which marries consumer rights to sustainability issues, has been greatly helped by dynamic consumer protection policies.

INTERNATIONAL *experience*

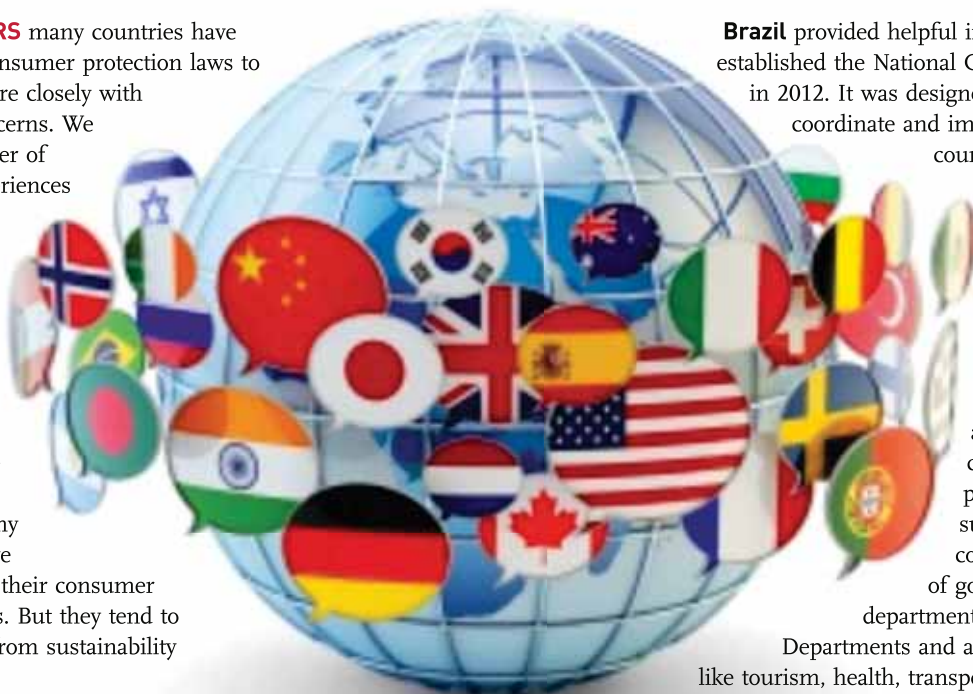
IN RECENT YEARS many countries have amended their consumer protection laws to connect them more closely with sustainability concerns. We looked at a number of international experiences to identify key aspects that could make up a comprehensive consumer protection framework.

In **Africa**, the rise of the middle class is fuelling a consumer economy and countries have begun to beef up their consumer protection policies. But they tend to be disconnected from sustainability issues.

South Africa, which leads the continent in terms of consumer protection regulations, showcases this limitation. The country has a good consumer protection policy regime, benefiting consumers and providing them with rights and redress possibilities. But it's not linked to sustainability concerns.

The South African situation is not helped by the location of consumer affairs and sustainability in two separate government departments. Consumer protection policy is the responsibility of the Department of Trade and Industry. For its part, sustainability is primarily located in the Department of Environmental Affairs. As a result there's a disconnect between the two.

South Africa – and other African countries suffering from this disconnection – need to develop a new framework. Our study identifies key areas countries should focus on to get to an integrated approach.



Brazil provided helpful insights. It established the National Consumer Bureau in 2012. It was designed to plan, prepare, coordinate and implement the

country's national policy on consumer affairs.

Brazil's system runs on a model that actively pursues an integrated approach to consumer protection and sustainability. It connects a number of government departments to work together.

Departments and agencies in sectors like tourism, health, transport, aviation, municipalities. Together with business representatives they cooperate to ensure consumers rights.

Chile has implemented a national initiative titled education for sustainable consumption. It was designed to provide consumers with information about the environmental and social impact of their daily choices. The underlying policy premise is encouraging responsible consumption.

In **Europe**, Germany aligned its consumer protection law with European Union consumer rights directive. The emphasis is on giving consumers balanced and independent information so that they can make comparative choices.

China unveiled new consumer protection laws in 2014. Critical changes included raising penalties for false advertising, including false statements about human health or safety. But the law is silent on measures retailers must take to ensure the accuracy of product information. ▶

Lagging Behind



WHILE MANY COUNTRIES are incorporating some elements of sustainability into their consumer protection legislation, it isn't happening fast enough on the African continent.

Our study showed that consumer protection policies in many African countries tend to be narrow. This is partly dictated by economic conditions. In poorer countries the basic needs of consumers are given precedence over sustainability considerations.

In addition, poverty limits consumer choices. Products that are produced in a way that doesn't damage the environment tend to be more expensive.

Ideally, there should be a mix of policy instruments to enable consumers to make more sustainable consumption choices. These must touch on product safety regulations, product information provision and consumer information standards.

South Africa's Consumer Protection Act has gone some way to closing the gap.

The act provides for industries to voluntarily implement minimum sustainability compliance requirements. In addition, the government has powers to prescribe minimum industry sector standards.

But little has been done to put in place mechanisms to enforce these provisions. This also limits the insertion of sustainability goals into consumer protection policy.

On top of this the act should be amended with a view to:

- improving the definition of key concepts of sustainability and sustainable consumption
- making the link between consumer protection and sustainability explicit

- and setting down minimum requirements for self-regulation.

Because sustainability straddles multiple policy domains, there needs to be joined-up implementation across government.

Consumer education and stakeholder engagement are important because individual's choices and behaviour also have an impact. ▸

The Way Forward

Sectoral self regulation is an immediate starting point. To trigger this, the business community should review business processes. They must find ways to integrate sustainability and consumer protection.

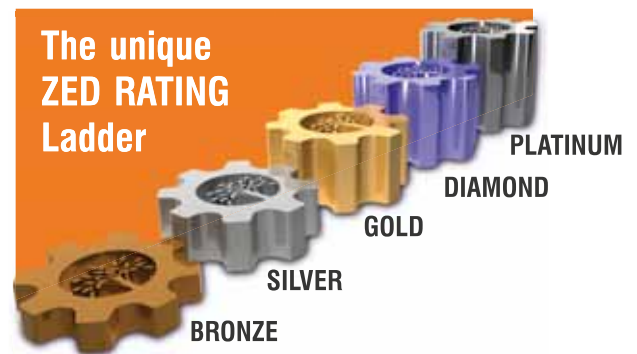
Debates among policymakers in regional bodies such as the African Union can play an important role. The advances that have been made in the EU provide a good example.

But these debates must be underpinned by the knowledge that poverty limits consumer choices. Basic needs of poor consumers need to be protected. South Africa has made a head start and can lead the way.



Certification Scheme

A roadmap to World-class manufacturing



HIGHLIGHTS

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



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

SHRI NARENDRA MODI
Hon’ble Prime Minister



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CONSUMERS, BEWARE

A Fair Digital Marketplace: Know Your Online Shopping Rights



ONLINE SHOPPING IS a growing trend with consumer expenditure increasing every year on online retail. Fair Trading has commissioned market research into the attitudes of consumers and businesses towards online shopping and their knowledge of security precautions. Research shows that high proportion of consumers are not aware of their basic online shopping rights and many small to medium businesses fall short on providing basic security measures and shopping information when selling online.



Listed are the various points you need to note when shopping online.

■ Buying from an overseas website :

here you may be offered limited protection and this shopping could make it difficult for you to benefit from a warranty or to get a refund, replacement or repair if the goods you receive are defective.



■ **Buying from a private seller:** whether you buy from a private seller or from a trader in the course of their business, you are guaranteed clear title of the goods, unless told otherwise before the sale.

■ Who is responsible for undelivered goods or damage in transit?

Read the delivery terms and conditions before you buy from an online seller. That information usually explains how such issues are handled and who is responsible if goods are not delivered or get damaged

in transit. If you are not sure whether insurance is included in the cost of the goods or the shipping charges, email the seller about this before buying the goods.

While completing a sale, you might sometimes be given a choice of delivery options and even asked if you want to insure your goods at extra cost. Contact the seller immediately if your goods have not arrived within the stated time or they are damaged.

■ **Delivery Time:** Before purchasing from an online seller, make sure you know the expected delivery time. You may need to refer to the terms and conditions to ascertain this. If you are still not sure email the seller to find out.

When purchasing from daily deals sites make sure you know the validity period of vouchers and the refunds policies if for instance; the supplier is unable to provide the service within this time, stocks run out or the supplier goes out of business before the goods or services are supplied.

■ **Refunds and Returns:** Make sure you read the seller's refund and return

policies. You might be offered a more generous policy than what is generally given by most.

■ Resolving online shopping disputes:

If you have a problem with goods and services purchased online, refer to the dispute resolution process provided by the site and communicate promptly with the seller to attempt resolve the issue. If this fails, you can contact your card provider or online payment service eg. PayPal promptly and enquirer about a chargeback or refund.



If a credit card provider or online payment service doesn't satisfactorily resolve the problem, and the transaction was in your own country, you may contact the national Ombudsman. ▸

GROWTH AND IMPORTANCE OF DIGITAL MARKETPLACES

What is the effect of marketplaces on economic outcomes? How should these markets be designed? What is the appropriate regulation? By necessity, this article only skims this complicated topic.



DIGITAL MARKETPLACES REPRESENT a new and important organisational form in the economy. They have enabled new types of transactions such as online auctions, ride-sharing, and home-sharing, have grown to dominate verticals such as travel and books, and have continued spreading through other industries. The growth and increasing importance of these marketplaces has prompted a new and growing body of research. This research is divided into three areas: effects on the economy, market design, and policy implications. There is no universally accepted definition of a digital marketplace. Delineating between online marketplaces and traditional firms is becoming harder as more firms are embracing technology. One way to do this delineation is to make a list of companies that could be considered digital marketplaces and consider what they have in common. A non-comprehensive list would include Airbnb, Alibaba, Amazon Marketplace, Craigslist, eBay, Expedia, and Uber. Although these firms serve different verticals and use a variety of market designs, they share certain characteristics. Listed below is both to highlight their salient features and to limit the scope of this article.



- **Digital Matching:** The process of search and matching between buyer and seller occurs digitally via a browser, app, or text interface. Digital interfaces allow for a precise tracking of the actions of users, which enables algorithmic matching. This is in contrast to older, relatively information poor shopping interfaces such as physical stores or mail-order catalogs.
- **Low Entry Costs:** A variety of sellers are allowed to participate in the platform and the entry costs are typically low. That means that non-professional sellers such as hobbyist collectors on eBay can compete with large firms such as Target.
- **Ex-post Screening:** A significant share of the screening is conducted ex-post, through explicit or implicit feedback given by users regarding transaction quality. Ex-post screening usually involves online reviews but can also include data on user engagement and customer service complaints.
- **Non-exclusive and Short-run Contracts:** Sellers are not obliged to exclusively use a particular platform, do not engage in long-term employment relationships, and retain at least some control rights over their product.
- **Direct Transactions:** The money paid by the buyer is transferred at least partially to the seller. This excludes other

digital intermediaries such as streaming platforms (Netflix and Spotify), dating sites (Tinder and OkCupid), and advertising platforms (Google and Facebook) which have similarities to digital marketplaces.

These characteristics allow the concept of a digital marketplace to encompass and subsume a variety of terms commonly used in research and public discourse such as 'peer-to-peer', 'the sharing economy', and 'the on-demand economy'. What distinguishes the marketplace from a re-seller is that at least some of the control rights regarding pricing, advertising, customer service, and order fulfillment remain with the seller. This means that the marketplace serves as an aggregator and matchmaker of heterogeneous and autonomous buyers and sellers, even if in some cases the marketplace does participate as a buyer or seller in its own market.

Digital marketplaces pose new research questions and challenges for economists. First, the growth of these firms has affected consumers, workers, and firms and has prompted debates regarding the proper influence of these firms in society. Yet much of this debate has happened without rigorous

analysis. The economics profession is just catching up to these debates.

Second, the design of these marketplaces poses new challenges. Technology has enabled market mechanisms including reputation systems, search engines, algorithmic recommendations, and signaling mechanisms. The choice of the proper design is important because of the scale of these companies. A single design change in a major marketplace can affect hundreds of millions of consumers and millions of sellers. Due to the complexity of these markets, design decisions often have unintended consequences such as altering the distribution of income on the platform or making it easier for users to discriminate.

Lastly, these marketplaces have also drawn attention from regulators. The diverse policy issues relating to these companies include anti-trust, licensing, labor practices, data sharing and privacy, and discrimination. These topics will become even more salient as more of the economy becomes intermediated by these firms.

Marketplace Design

The role of a digital marketplace is to maximize its profit by facilitating matches between buyers and sellers. The value of

these matches, including the cost of using the marketplace, must exceed the value of the outside option. The marketplace fulfills its role through its market design, defined broadly to include both policies and technologies. Marketplace design varies across industries, over time within an industry, and within a given marketplace. Most research suggests that design is an important factor in marketplace growth and competition.

It is useful to divide marketplace design choices into three categories. First, the marketplace chooses the process by which buyers and sellers match with each other. Second, the marketplace chooses the manner in which prices, inclusive of fees, are set. Third, the marketplace chooses mechanisms which ensure that goods or services are delivered reliably and with minimal risk. Although these areas interact with each other, yet we decide to describe them separately.

Search and Matching

Buyers and sellers find each other in a variety of ways in digital marketplaces, including directed search, auctions, and

centralized matching. The choice of mechanism often involves tradeoffs between three factors: the quality of a match, the hassle costs of finding a match, and the overall balance of matches in the market.

These tradeoffs are well illustrated by the differences between Uber's and Airbnb's matching mechanisms. In Uber's app, consumers are algorithmically assigned a car and cannot choose specific makes and drivers. In contrast, Airbnb's search engine allows consumers to choose between all options which are not explicitly marked as unavailable. The primary reason for this difference is the relative difficulty of expressing preferences across these two markets. Conditional on pickup and drop-off location, Uber riders mostly care about wait times, which are predicted by Uber, and prices, which are set by Uber. In contrast, Airbnb guests to a given city may have different preferences over location, room characteristics, and price. It is difficult to predict the option that a guest will find most appealing and search rankings, while helpful, do not eliminate the need for extensive consumer search.



Buy, Sell and Promote Products Online

WORK ANYWHERE, EARN ANYTIME

heterogeneity in many markets occurs due to the limited capacity of firms. Uber drivers and Airbnb hosts can only service one trip at a time. Consequently, there needs to be a mechanism that allows the seller to signal preferences, which include availability. Otherwise, searching users will be rejected from seemingly good matches.

Marketplaces such as Amazon, eBay, and Taobao, the major Chinese retail marketplace, have developed search advertising platforms that allow sellers to bid for paid placement next to 'organic' results determined by an algorithm. Paid advertising has potentially interesting effects on market outcomes. First, and most directly, it offers another way for the marketplace to earn revenue. Second, it allows sellers with private information about the returns to high placement to signal that information in a credible manner. Third, it potentially reduces the overall quality of a user's experience. Lastly, it gives sellers and products a way to be discovered.

Pricing

From eBay's auction mechanism to Uber's surge pricing, digital technology has enabled a variety of innovative pricing mechanisms. The market design decisions regarding pricing mechanisms can be divided into three components. First, who has the right to set prices and what mechanism should be used? Second, what price should be set or recommended to the seller, conditional on a mechanism? Third, how should the marketplace generate revenue?

Moving first to the question of control rights and mechanism, several factors have been identified that affect who sets the price and how. The first is the relative importance of price discovery versus the hassle costs of price discovery. A second factor determining the price mechanism is the relative informational advantage of the marketplace and the seller. If individual sellers receive more informative private signals regarding demand conditions or costs than the marketplace, then they should set prices. Third, the presence of moral hazard or spillovers can shift the optimal price setting decision.

The auction mechanism is best in situations when demand, and consequently a good price, is uncertain. Using eBay data over a period it shows that sellers use auctions for used goods, idiosyncratic products, and when they have less experience. They also show that demand for auctions relative to fixed price has fallen over time. This is likely to be driven by the availability of an outside option (Amazon) for consumers where prices are fixed and have the reputation for being low. Given that auctions take cognitive effort and time, consumers prefer fixed price mechanisms, all else equal.

In other cases, as on Uber and in many lending marketplaces, the marketplace determines the price. Centralized price setting is efficient when marketplaces are better able to observe aggregate demand conditions than

individual sellers, can group sellers into well-defined categories, and benefit from internalizing externalities arising from pricing decisions. For example, because Uber observes both real-time and historical user behavior and can experiment, it can predict the demand and supply responses to changes in price at a detailed geographic and temporal level. Furthermore, because consumers are relatively indifferent between drivers and car makes conditional on a minimal quality threshold, Uber can set the same price for all cars in each category and location. This allows Uber to set prices in order to maximize a marketplace-wide objective function.

A final consideration is the fee structure in a marketplace. Marketplaces use a variety of fees including platform entry fees, listing fees, bidding fees, and transaction fees, which may be fixed or a percentage of the sale price. Furthermore, marketplaces also choose how a fee is spread across buyers and sellers and whether there are additional surcharges for value added services (e.g. international site visibility on eBay). Platform fees are often obfuscated and may differ in their salience relative to the prices set by sellers. These factors can shift the optimal fee structure for behavioral reasons. Although the economics of optimal fees is complex, an interesting stylized fact is that many marketplaces avoid experimenting with fee structures. For example, Upwork, both in its current iteration and previous one as Odesk, has consistently kept a 20% transaction fee on contracts. This may be the result of a brand commitment to a 'fair price' or due to the difficulty of measuring the equilibrium effects of platform fees.

Reputation Systems and Other Mechanisms for Trust and Safety

A final component of marketplace design concerns ensuring that transactions are safe and reliable and convincing users that this is the case. Both consumers and sellers face risks in anonymous transactions. Sellers risk not being paid, having their assets damaged, or having to deal with an overly demanding or unpleasant buyer. Consumers face the risk of not getting the good or service that they expected to get. The typical solution to the problem of trust has been a combination of firms developing reputable brands and governments requiring that sellers comply with regulations.

Digital technology offers new mechanisms to make transactions safe and lowers the costs of existing mechanisms. A non-comprehensive list of these mechanisms includes digital reputation systems, escrow services, insurance, fraud detection algorithms, identity and credential verification, dispute resolution procedures, and customer service. Let's begin by describing reputation systems, which have been the most salient of the above to both users and researchers.

Reputation systems work by tracking the transactions of an agent and allowing the counterparty to rate or review the



Employment regulation poses a legal grey area for marketplaces. Peer-to-peer marketplaces typically treat their sellers as independent contractors and do not provide them with benefits such as health insurance, retirement plans, or vacation. However, some share of sellers on these platforms work full-time hours.

with benefits such as health insurance, retirement plans, or vacation. However, some share of sellers on these platforms work full-time hours. This has raised a vigorous regulatory debate regarding whether these workers are misclassified and, if not, whether new employment regulations are needed to account for gig-work. A longer run and more speculative concern is that new technology may shift the economy wide mix of jobs to alternate models, with fewer protections and benefits. Equity issues also arise in other contexts. For example, ride-sharing companies might decrease public support for public transport, which would hurt those who rely on public transport the most.

Another regulatory issue is digital discrimination and equity. Companies cannot compel two parties to transact with each other. At the same time, the Civil Rights Act makes it illegal for hotels and motels to discriminate based on race, color, religion or national origin. This raises the question of whether marketplaces are responsible for reporting and banning discriminatory sellers. Relatedly, marketplaces can try to reduce discrimination by removing race related information, but there is a potential for such measures to backfire. For example, removing real names and user pictures may reduce overall trust in the platform.

Conclusion

The digital marketplace represents a novel and increasingly important form of economic activity. We have discussed three aspects of the economics of these marketplaces. First, what is the effect of marketplaces on economic outcomes? Second, how should these markets be designed? Lastly, what is the appropriate regulation? By necessity, this article only skims this complicated topic.

In conclusion, briefly mentioned are several speculative topics that may have relevance in the future. First, new technologies such as voice interfaces and the Blockchain may further affect the structure of digital businesses. New interfaces may result in shifts in market leadership and the Blockchain may reduce the costs of entry and the structure of reputation systems. Second, as digital transactions become ubiquitous, companies such as Uber may be able to implement a taxation system in order to reduce congestion externalities. This could result in a more efficient traffic system. Lastly, many digital marketplaces are already large players in their respective industries. If there are substantial network effects and returns to scale, then these companies may be subject to antitrust enforcement. ▶

REPORT

A dopting practises in the digital marketplace that elevate the customer experience will undoubtedly produce a return on investment and provide a steady foundation

RISE OF THE e-CONSUMER

THE INTERNET HAS come of age. Twenty-one years since the marketplace first took notice, the World Wide Web today is at the heart of the global economy, channeling interactions for nearly 40% of the world's population. It took the Internet 12 years to gather its first billion users, and a third of that time to amass its third billion. Meanwhile, the emerging world is leapfrogging towards mobile phones, opening more avenues to Internet adoption. Broadband subscriptions on mobile phones, now 34% of global mobile phone subscriptions, have tripled since 2008. The next billion Internet users, logging on in an era of near universal mobile connectivity, offer promise of greater economic growth and increased business opportunities.

The next billion will be different. The current three billion started off primarily as Internet users, surfing and emailing, before they became consumers of digital marketplaces. The next billion, already mobile customers used to interacting and transacting – downloading ringtones, content etc., – in a mobile ecosystem on their feature phones, will start off not as mere users but rather as e-consumers: internet enabled mobile devices will vastly expand their access to downloadable content; buying and selling goods and services through a mobile phone is a logical next step. This has profound implications for the future of global commerce and digital marketplaces. Where the next billion e-consumers will come from, who they are, what they are like, and how they will shape the digital marketplaces of the future are questions of great importance to businesses and investors globally. The answers depend on how governments, businesses, and consumers co-evolve to face the challenges and opportunities of the digital future. The hype surrounding the IPO of Alibaba, growing investor interest in the potential of the Indian electronic shopping market, including local players such as Flipkart and international giants, such as Amazon, together with the fast growth of e-commerce companies across Asia, Latin America and sub-Saharan Africa – several enabled by the

Rocket Internet platform — are clear signals of this growing phenomenon.

THE MILLENNIAL CONSUMER; GOOD CUSTOMER EXPERIENCE

It's simple: Good customer experience—the perception people have of their interactions with your company—keeps them coming back again and again and is often a differentiator.

Increasingly, customers' experiences with brands happen via digital touchpoints, making the digital customer experience a key differentiator.

A company's relationship with its customers is about much more than improving ratings or decreasing wait times.

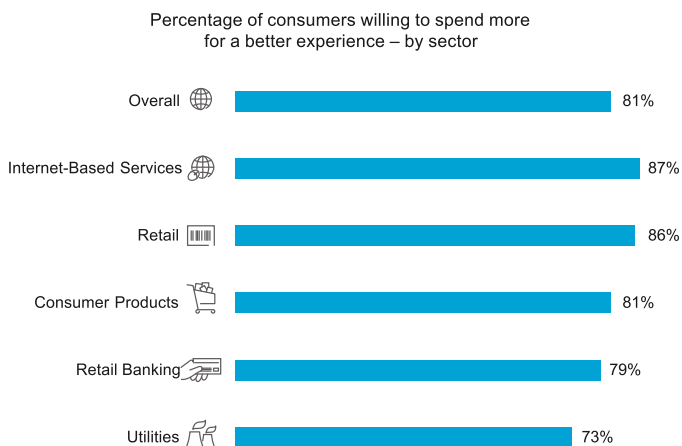
Understanding the customer journey is about learning what

81%
of consumers
are willing to
pay for a better
experience

Consumers are ready to reward better experiences with increased spending

Our research found that over 80% of consumers are willing to pay more for a better experience. This holds true across sectors and countries, with around 1 in 10 consumers (9%) willing to increase their spending by more than half.

Consumers are willing to spend more for a better experience



N=3372 consumers. Percentages may not total 100 due to rounding.

Source: Caggecini Digital Transformation Institute analysis; Caggecini digital customer experience executive survey February-March 2017, and consumer survey March 2017

consumers experience from the moment they begin considering a purchase, and then working to make the journey toward buying the product or service as simple, clear and efficient as possible.

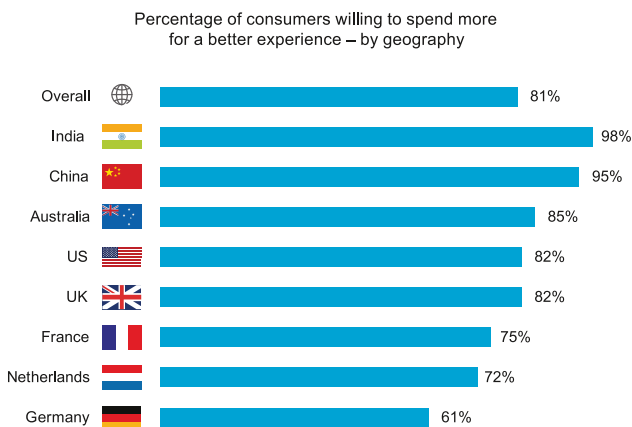
In the endless to decode millennial behaviour, marketers have placed a microscope on millennials' spending habits, hoping to glean patterns for how their behaviour differs from previous generations. Today's consumers eschew luxury goods for sustainable ones; prefer buying organic and fair trade; and they're a lot more willing to shell out money on experiences that enhance their lives rather than on material things. Take a spin through your Instagram and facebook feeds, and you're more likely to see a friend's trip to Angkor Wat or pictures of their new born on the beach rather than photos of a Vuitton bag or a new pair of Louboutins.

Customers are ready to reward better experiences with increased spending hence a good digital marketplace must first and foremost engage in good consumer experience. Companies that closely tie business operations with customer experience enjoy greater benefits.

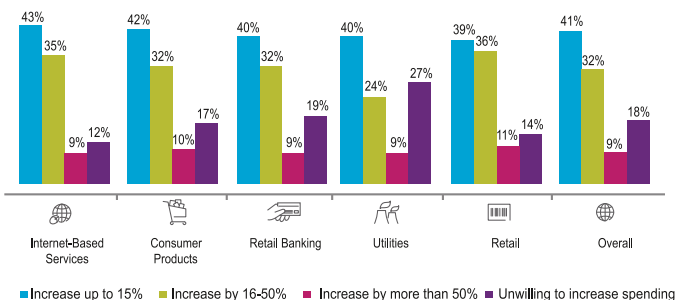
Digital customer experience best practices

The key to a differentiated customer experience, and a higher DCX Index, is about mapping and connecting the goals of the customer and the brand at key points in the relationship

Consumers are willing to spend more for a better experience (cont.)



Percentage of consumers who are willing to increase their spend for a better experience – by spend category



lifecycle, from when the customer builds awareness of the market offer to when they are willing to recommend the product. When practices and processes are in place at critical stages of the lifecycle, a consumer will advance from awareness and proceed, eventually, to advocacy.

Best Practices

Retail

1. Ability to personalise products and services online or on mobile
2. Using customer data to predict changes in consumer behaviour and tailor offerings
3. Launching new IT initiatives to improve customer experience on digital channels

Example

As part of its omni-channel strategy, one of the world's largest DIY retailers developed an app that includes information on over 500,000 products. This provides a better mobile experience and access to more services, including in-store services. It also allowed the company to build a contextual view of the consumer and their journey, increasing both app traffic and revenue.

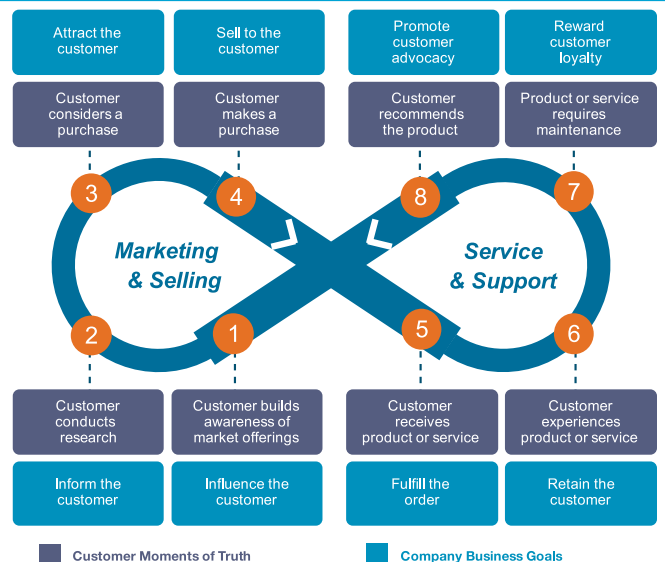
Consumer Products

1. Ability to personalise products and services online or on mobile

Digital customer experience best practices

The key to a differentiated customer experience, and a higher DCX Index, is about mapping and connecting the goals of the customer and the brand at key points in the relationship lifecycle, from when the customer builds awareness of the market offer to when they are willing to recommend the product. When practices and processes are in place at critical stages of the lifecycle, a consumer will advance from awareness and proceed, eventually, to advocacy.

How company business goals and customer journeys come together throughout the customer life cycle



2. Providing loyalty points/incentives for customers to use digital channels
3. Providing users control over viewing, editing and removing their personal data

Example

- Olay, Procter&Gamble's skincare brand, recently launched an artificial intelligence-powered mobile platform that helps women better understand their skin and gives them a personalised regimen recommending products that are right for their skin type. Since its launch in late 2016, the platform has already seen over a million visits.
- Nestlé ensures that its consumers are fully informed about the data it collects about them online, how consumers can control that data and who can access that data. This puts consumers in charge of their data and allays any potential concerns consumers may have about data security and privacy.

Retail Banking

1. Running marketing campaigns to encourage use of digital channels by customers
2. Providing targeted offers and incentives only on digital channels
3. Encouraging existing customers to refer new customers via digital channels

Example

A personal finance department of a large multinational bank, undertook a strategic program to develop a new omni-channel

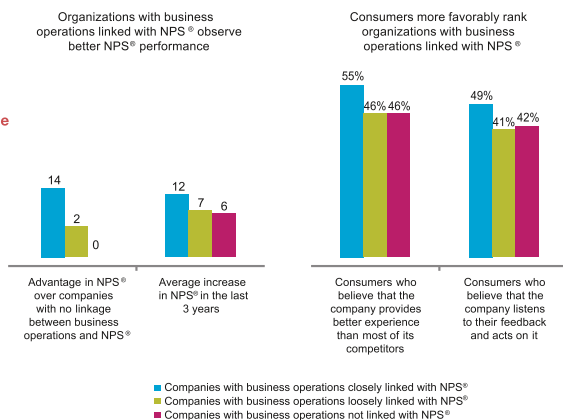
Companies that closely tie business operations with customer experience enjoy greater benefits

Our analysis reveals that organizations that tightly link their business operations with the customer experience reap greater rewards in terms of NPS® and positive customer perceptions. Organizations we surveyed fall under one of the following broad categories:

- ◆ **Companies with business operations closely linked with NPS® (6%):** These organizations monitor their NPS® or customer experience performance on a daily basis and share the information with managers. This creates a better alignment between business operations and NPS® performance.
- ◆ **Companies with business operations loosely linked with NPS® (61%):** At these firms, NPS® or customer experience is monitored on a regular basis. However, business operations are revisited only at fixed intervals, such as quarterly, half-yearly, or even less frequently.
- ◆ **Companies with business operations not linked with NPS® (33%):** These companies do not track NPS® or customer experience at regular intervals and these have no bearing on operations.

Organizations aligning operations with customer experience enjoy greater rewards

14 points
NPS advantage of companies with business operations closely linked with NPS



N=125 companies and their 3372 consumers
Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February-March 2017, and consumer survey March 2017

In the section that follows, we examine whether or not organizations are prioritizing their digital customer experience and, crucially, what consumers think of their efforts. We also look at how organizations can seize the rewards of a positive digital customer experience.

and self-care service model. In a pilot conducted in three countries, the project increased customer satisfaction by 5% and reduced the cost to serve by 10%.

Utilities

1. Improving customer experience for seamless cross-channel experience
2. Charging extra for using physical channels such as stores or call centers
3. Reassuring customers that online channels are secure

Example

One of the world's largest electricity producers wanted to strengthen its customer relationships by launching a new mobile app and website. Its revamped digital properties now allow consumers to manage their payments online. It also added a number of innovative features, such as allowing consumers to see how their electricity consumption has evolved over recent months.

Source: Capgemini Digital Transformation Institute analysis; Capgemini digital customer experience executive survey February–March 2017

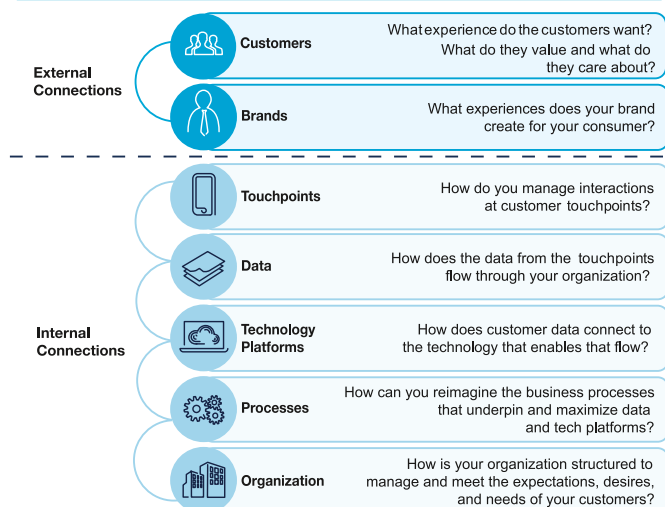
How incumbents across industries are pushing the boundaries in the digital marketplaces to provide a better consumer experience

Conversational Commerce. Domino's Pizza, the world's leading pizza restaurant chain, recently added a new channel for customers to place orders—Amazon Echo—the voice-driven technology that provides a virtual assistant answering to the name Alexa. This capability makes pizza ordering particularly easy. Upon linking their Domino's and Amazon accounts, customers can place a default order (an Easy Order) or repeat their most recent order. Dennis Maloney, Domino's vice president said, “We want to continue making ordering pizza as convenient as possible, and this is no exception. Customers can order from anywhere they are, including from the comfort of their couch while watching Sunday's football game.” As well as its traditional channels, Amazon Echo marks Domino's eighth ordering platform alongside other new ways of ordering such as - emoji, Twitter, text, and smart TV.

Voice authentication in customer care. Citi India, Citigroup's Indian subsidiary, launched a voice-based biometric authentication system for its customers earlier this year. The system can automatically identify a person based on the sound patterns created by his or her voice within 15 seconds. This cuts down the time required to authenticate a customer by at least 30 seconds from the 45 seconds it normally takes through existing authentication capabilities, which require PINs and answering verification questions. With this new method, Citi India hopes to save nearly 100,000 customer call hours annually.

Virtual Reality Shopping Experience. Tommy Hilfiger, the American clothing label, made one of its fashion shows available to be experienced in virtual reality in select stores

Making five crucial connections at the foundation of an all-round digital customer experience



around the world. Shoppers received a Samsung GearVR headset to watch a 360-degree, three-dimensional experience of the show, giving them a virtual front-row seat to the acton. Tommy Hilfinger said, “From the incredible set and music to exclusive backstage moments, consumers will be able to watch the clothes move and see the collection in the original show environment; it’s a compelling and interesting elevation of the traditional shopping experience.” Stores running this initiative also made the collection that consumers viewed in virtual reality available for purchase, instantly capturing customer interest and book sales orders.

Source: PR Newswire, “Domino’s® Adds Amazon Echo Ordering Capability in Time for Big Game”, February 2016; Economic Times, “Citibank launches voice password in India”, January 2017; Forbes, “Hands-On With Tommy Hilfinger’s In-Store Virtual Reality Catwalk Experience”, October 2015

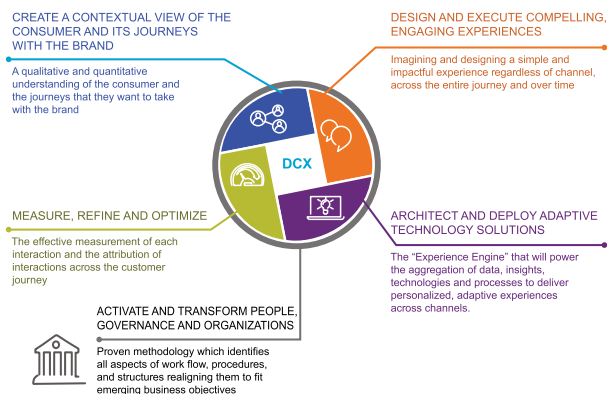
Scale the initiatives to the organisational level

As digital customer experience initiatives start to take root, organizations need to ensure they can scale up and mature. This is critical to ensure that you not only benefit from the economies of scale, but also manage to create a unified brand experience. At this stage, the required DCX practices that must be implemented reach a higher level of complexity and effort.

For example:

- Provide a truly omni-channel service that offers seamless execution across multiple physical and digital channels
- Integrate physical and digital channels and disparate data sources
- Fine-tune products or offerings based on customer feedback and usage behavior
- Ramp up investment in IT to both support the launch of a new digital brand and to improve customerservice quality
- Become digital first : make digital the default channel for customer interaction and use physical channels either as backup or a way to resolve particularly contentious or complex issues
- Proactively communicate with customers throughout the customer journey

Core capabilities for enabling digital customer experience



Customer expectations continue to change at frighteningly quick speed, with new, agile entrants emerging rapidly to target customer pain points. It’s critical, therefore, that organizations improve and maintain momentum. To continue setting the bar high, driving innovation and continuous improvement, organizations should link business operations with customer experience metrics and benchmark their initiatives against those of companies both inside and outside their sector with the following:

- Provide seamless cross-channel experience, such as a completely seamless purchase process across digital and physical channels
- Use digital tools to manage and monitor customer journey in real-time
- Provide loyalty and referral programs on digital channels
- Ensure the highest level of customer data security and privacy practices. For example:
 - Give users control over viewing, editing, and removing their personal data
 - Be transparent about data privacy and security policies and any changes to them
 - Provide a fair value in return for customers sharing their personal data
 - Safeguard customer data from breaches and thefts

Putting Consumers First

Consumers are ready to reward better experiences. This is a big opportunity for organizations that execute on their digital customer experience strategy. Our research points to a clear link between a firm’s digital customer experience, its NPS and stock performance. Moreover, firms that closely tie business operations with customer experience and make the environment fair and safe for their customers, will enjoy greater benefits. A careful examination of leading DCX best practices and a methodical approach to steer the digital customer experience strategy will place firms on a sure footing and yield big gains. ▶

Fighting The Good Fight

Fifty Six Years Of Consumer Rights And Consumers' Trust still feels threatened in the Digital Marketplace.

CONSUMER RIGHTS

On March 15, 1962, President John F. Kennedy called for a set of four basic rights for every consumer:

- The right to safety,
- The right to be informed,
- The right to choose,
- And the right to be heard.

Basically, President Kennedy said, you should have the right to buy safe products, and the right to get the facts you need to make informed choices. He said, you ought to have a fair number of choices at a fair price, and the government needs to listen and respond to what consumers have to say.

It inspired a new generation of leaders to fight for greater protections in the areas of food, finances, auto, and product safety — protections that we all enjoy today.

These rights, along with four additional rights that have since been added, help set a foundation of a safe consumer.

The four additional rights are the right to consumer education, the right to redress, the right to a healthy environment, and the right to the satisfaction of basic needs, like adequate food, shelter, and health care.

■ **Right to Safety** - One of the original four rights, the Right to Safety protects the consumer from products, manufacturing practices or services that could prove detrimental to the health or life of the individual consumer. To ensure this right, it is the consumer's responsibility to use the product for its intended purpose and properly follow instructions and warnings.

■ **Right to Information** - The Right to Be Informed requires that companies



supply all of the information that would be necessary to make an intelligent decision about purchasing a particular product. This right also establishes that it is illegal for companies to furnish "dishonest or misleading advertising or labeling." Consumers are responsible for analysing the information appropriately.

■ **Right to Choose** - The Right to Choose ensures that consumers be able to choose from a variety of products and services. The distributors of the products or services must price them based upon competitive markets and guarantee their quality. Consumers are responsible for comparing all prices before making decisions and identify differences between similar products.

■ **Right to Be Heard** - The Right to Be Heard means that government entities should hold the consumer's interests at heart when implementing policies. Also,

businesses should address customer concerns in the development and production of goods and services. Consumers are responsible for informing businesses and elected officials of issues pertaining to specific items.

■ **Right to Satisfaction of Basic Needs** - The Right to Satisfaction of Basic Needs ensures that all consumers have suitable access to necessary goods and services, such as food, shelter, education, health care and sanitation. This means that consumers are responsible for governing their own consumption, so as not to impinge upon others receiving the same basic needs.

■ **Right to Redress** - The Right to Redress ensures that customers have an avenue with which to receive compensation for unsatisfactory performance of service or inferior products, or for damage inflicted from their use. It is the consumer's responsibility to actively seek appropriate restitution.

■ **Right to Consumer Education** - The Right to Consumer Education provides for programs and information that must be available to individuals to help them make more informed decisions about products. It is the consumers' responsibility to take initiative in learning about new and changing products throughout their lives.

■ **Right to Healthy Environment** - The Right to a Healthy Environment implies that businesses and governing bodies must install policies in production and regulation which do not harm the natural world. Consumers are responsible for purchasing goods and services that cause little environmental impact for themselves and future generations.

A BROADER VISION OF CONSUMER RIGHTS

The consumer movement has developed into a broader vision of the eight rights. Relating the above 8 rights to the common man, the consumer, the rights developed by Consumers International and its members are:

- **The right to satisfaction of basic needs** - To have access to basic, essential goods and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.
- **The right to safety** - To be protected against products, production processes and services that are hazardous to health or life.
- **The right to be informed** - To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.
- **The right to choose** - To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
- **The right to be heard** - To have consumer interests represented in the making and execution of government policy, and in the development of products and services.

- **The right to redress** - To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.
- **The right to consumer education** - To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
- **The right to a healthy environment** - To live and work in an environment that is non-threatening to the well-being of present and future generations.

DIGITAL MARKETPLACE



A Digital marketplace (or online e-commerce marketplace) is a type of e-commerce site where product or service information is provided by multiple third parties, whereas transactions are processed by the marketplace operator. Online marketplaces are the primary type of multichannel ecommerce and can be a way to streamline the production process.

In an online marketplace, consumer transactions are processed by the marketplace operator and then delivered and fulfilled by the participating retailers or wholesalers (often called drop shipping). Other capabilities might include auctioning (forward or reverse), catalogs, ordering, wanted advertisement, trading exchange functionality and capabilities like RFQ, RFI or RFP. These type of sites allow users to register and sell single items to a large

number of items for a "post-selling" fee.

In general, because marketplaces aggregate products from a wide array of providers, selection is usually more wide, and availability is higher than in vendor-specific online retail stores. Also prices may be more competitive.

Since 2014, online marketplaces are abundant since organized marketplaces are sought after. Some have a wide variety of general interest products that cater to almost all the needs of the consumers, however, some are consumer specific and cater to a particular segment only. Not only is the platform for selling online, but the user interface and user experience matters.

People tend to log on to online marketplaces that are organized and products are much more accessible to them.

Types of Digital Marketplace

For services and outsourcing

There are marketplaces for the online outsourcing of professional services like IT services, search engine optimization, marketing, and skilled crafts & trades work.

The sharing economy

Many sharing economy platforms are in fact peer to peer marketplaces. Also called "switch" marketplaces, sharing economy platforms' users will characteristically switch between buying and selling services or goods, such as on AirBNB.

Seeing that the sharing economy in large part originates from the open source movement it is only fitting that there are now two open source initiatives to provide a free and collaboratively built solution to build marketplaces.

Online marketing intermediaries

The intermediaries in online environment marketing that offer customers a destination site about connecting online customer with product information, for example, some search engines, like Google, Facebook and MSN. This method is easier

for customer to gather information, and have a preview about the product. Such as the price and the product detail information. Online intermediaries enable customer and online seller maximizes the efficiency and effectiveness. The information would be exchanged through Internet, B2B and B2C are both benefit from online intermediaries. In addition, online intermediaries sometimes provide support for online social networks, which create a social community for supplier and customer in order to directly connecting each other, such as the dramatically increase trend about e-commerce development, online site allow supplier and customer to do business at digital environment.

It is different with the traditional method, online shopping intermediaries offer third-party sellers the opportunities to freedom to choose sale prices, and they only charge a percentage of referral fees from the final price. Though the online environment sellers become more efficient, comparing with conventional sells channel, in-store sales, online shopping and intermediaries enable company save from without involve physical store. And also it bring convenience for customer, in other words, online shopping intermediary's level of search help decrease the level of differentiation in the product category. Customer may have a clear classification to search what are they seeking.

Criticism

Many service related online marketplaces have been criticized for taking jobs that would go to local industries that can't compete on price against outsourced providers.

Another criticism is that the laws and regulations surrounding online marketplaces are quite underdeveloped. As of consequence, there is a discrepancy between the responsibility, accountability and liability of the marketplace and third parties. Online marketplaces and platforms have faced much criticism in recent years for their lack of consumer protections.

Consumer protection is a group of laws and organizations designed to ensure the rights of consumers, as well as fair trade,

competition, and accurate information in the marketplace. The laws are designed to prevent the businesses that engage in fraud or specified unfair practices from gaining an advantage over competitors. They may also provide additional protection for those most vulnerable in society. Consumer protection laws are a form of government regulation that aim to protect the rights of consumers. For example, a government may require businesses to disclose detailed information about products—particularly in areas where safety or public health is an issue, such as food.

Consumer protection is linked to the idea of consumer rights, and to the formation of consumer organizations, which help consumers make better choices in the marketplace and get help with consumer complaints.

Online marketplaces, from Etsy to Amazon, are quickly exploding as tools for millions of people to make money online without even having to build their own web presence, or as extra revenue streams in case you already have your own online shop. Marketplaces enable sellers to create their own profiles, post products and collect payments from consumers all over the world.

However, many of the top marketplaces aren't all that friendly for people trying to sell digital goods. The best part is marketplaces provide all the processing and delivery for you, with automated links or download libraries for direct customer access.

CONSUMERS' TRUST IN THE DIGITAL WORLD

The process of digitalisation has changed the lives of consumers around the world. Digitalisation makes it easier for consumers to access and process information, potentially increases choice and competition, as well as encouraging innovation. At the same time, however, consumers also face barriers and risks. More than half of the world's population still does not have access to the Internet, and many consumers fear that their personal information might be misused or that they might become victims of online fraud.

These barriers and fears constitute a significant impediment for the further development of the digital economy: When

consumers mistrust businesses, they are discouraged from using new digital products and services. Hence, growth on the supply-side of the digital market presupposes consumer trust on the demand-side of the market.

As a result, governments around the world have put the task of consumer protection and empowerment in the digital world on their agendas. In their Digital Economy Development and Cooperation Initiative, the G20 set the target to bridge the digital divide by expanding broadband access and improving quality, developing skills and competences as well as strengthening confidence and trust. The G20 Initiative also encourages efforts to develop better metrics, inter alia, for important policy issues like trust in the digital economy.

SURVIVAL IN THE DIGITAL ECONOMY

1. A thriving and inclusive digitalisation process necessitates consumers' trust in digital markets

Evidence shows that without consumer trust, the digital transformation will most likely not be successful. Access to the Internet, information and communication technologies (ICT) and digital services as well as consumer trust in these products and services are all of key importance for an inclusive and successful digitalisation process.

2. In order to strengthen consumer trust, the demand-side of the market needs to be brought into the spotlight

While in the past, ICT strategies focused primarily on the supply-side, there is a growing recognition that demand-side issues such as privacy, data security, redress and digital literacy have to be equally and fully addressed as well. Otherwise, the digital economy will not develop as fast as it could, since consumers have reasons to stay offline.

3. To bring the demand-side into focus, the United Nations Guidelines for Consumer Protection (UNGCP) should be used as a policy framework

The UNGCP constitute an internationally endorsed set of consumer protection and empowerment principles. These should be used as a conceptual

framework to strengthen consumer protection and empowerment also in the digital world.

4. To systematically improve the state of consumer protection and empowerment, valid indicators and good data are needed

Indicators and good data are necessary both to capture developments and for effective evidence-based policy-making. Hence, there is a need to develop indicators for the measurement of consumer protection and empowerment in the digital world as well as corresponding methodologies.

5. The UNGCP constitute a useful framework for indicator development; Digital Consumer Protection and Empowerment (DCPE) indicators can be derived

Based on the UNGCP, the present study proposes a comprehensive set of indicators which describes the state of consumer protection and empowerment in the digital world. The 65 indicators are grouped into the eight dimensions of the UNGCP principles.

6. Indicators, data-gathering methodologies and G20-wide data sets exist only for a few indicators; hence a double-fedged approach to address these gaps is necessary

The assessment of whether indicators, data-gathering methodologies and data already exist for this set of indicators shows that this is only partially the case: For the dimension access, both indicators and robust methodologies exist. For privacy & data security, education & awareness, dispute resolution & redress and governance & participation, indicators and data are partially available. For economic interests, product safety & liability and information & transparency, neither indicators nor data are available.

7. A survey based approach should be used to provide the needed data in the short-term

Representative consumer surveys are a straightforward ready-to-use tool and can be developed and carried out quite easily. The present study hence suggests that this approach should be used to generate periodic data that can be used in the short-term to fill some of the identified gaps.



8. In parallel, the G20 should initiate a four-step process to develop a comprehensive methodology in order to provide data in the mid- and long-term

To systematically overcome the identified gaps in indicators and methodologies, the G20 should initiate a process that leads to a comprehensive methodology for the assessment of the state of consumer protection and empowerment in the digital world in the mid- and long-term. This process should go hand-in-hand with other initiatives that aim at developing a tool kit for policy making in this field and recommendations for policy action. It should be implemented in four steps: 1) The G20 should set up a Consumer Protection and Empowerment Working Group for the Digital World to agree on an overall framework. 2) An international organisation should be tasked to develop a set of indicators and corresponding methodologies in detail. 3) This set of indicators should be test-ed in a pilot study and be refined. 4) The draft set of indicators should be presented to the G20 Working Group for revision and approval. Clear institutional responsibilities should then be assigned to periodically conduct data-gathering for the indicators.

The objective of above points is to contribute to a development of better metrics. It aims at testing the feasibility and making concrete proposals for a set of indicators to describe and measure progress towards an environment that is beneficial for consumer trust in the digital world.

In particular, there is a consumer issue that deserves everyone's attention, and that issue is privacy. Your private information is being shared and sold and exploited in ways that few could have dreamed of fifty six years ago.

Who could have predicted that we'd have a tool like the Internet that provides so

much opportunity, but at the same time, exposes each and every one of us to having our most personal information put at risk?

Fundamentally, when we talk about consumer privacy, we are talking about trust. When you hand over your private information to an online company, you're trusting that your information will be treated fairly and responsibly.

Industry and consumer groups should be brought together to figure out some rules of the road. And there's the World Wide Web Consortium — an international convening that's developing standards to limit online tracking.

All of this is very important, and we continue to advocate for a law that guarantees you will have more control over how your information is tracked and manipulated. All of us need to come together to find real solutions on privacy that work.

What we can do

World Consumer Rights Day is our chance to deliver real impact for consumers and remind the world about the importance of observing and enforcing consumer rights

Being a consumer advocate isn't easy. Most days, it feels like David versus Goliath. There are a lot of powerful interests trying to tilt the scales against consumers. But there is one important asset that they don't have and we do. That asset is people power. I firmly believe that people power, in the end, will come out on top.

Fifty Six years to the day after the President of the United States called for consumer rights, our job is to fight to preserve these achievements and protect our hard-earned rights. Fighting the good fight together, we can succeed, and we will succeed. ▶

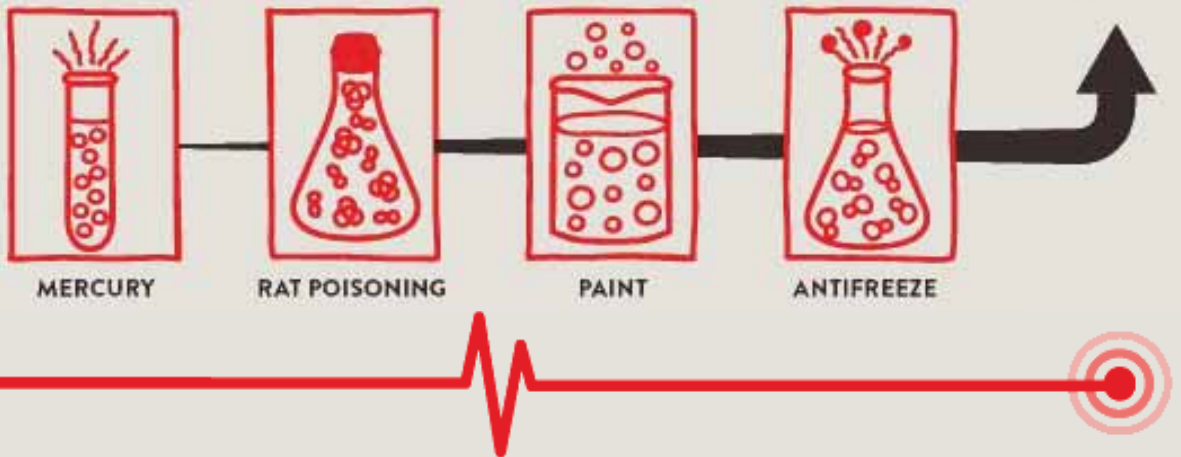


SPEAK UP ABOUT FAKE MEDICINES

[VISIT FIGHTTHEFAKES.ORG](http://FIGHTTHEFAKES.ORG)

FAKE MEDICINES HARM – NOT HEAL

There are a lot of shady ingredients found in fake medicines that are directly responsible for serious disability and even death. This includes poisons such as mercury, rat poison, paint and antifreeze.



Fake tuberculosis and malaria drugs alone are estimated to

KILL 700,000 PEOPLE A YEAR*.



*International Policy Network

“Protecting Consumer Interest Is Government's Priority”

NEW CONSUMER PROTECTION BILL 2018



“India's consumer protection traditions dated back to 2,500 years. Laws existed even in the Vedic period to prevent unfair trade practices and adulteration of products,” Hon'ble Prime Minister Shri Modi.

Consumer interest is a priority

The New Consumer Protection Act keeps in view business practices and requirements of the country. The Act lays great emphasis on consumer empowerment. This law replaces the Consumer Protection Act of 1986 by incorporating the amended 2015 UN guidelines on consumer protection.

Protecting the consumer interest is government's priority. The government through various steps such as GST, real estate and BIS laws and Ujala, Ujjwala and DBT schemes, is helping consumers save money.

Extolling the virtues of the Goods and Services Tax (GST), Mr. Modi feels it was one of the key consumer-friendly reforms that his government had introduced. The GST would benefit consumers in the long run as prices would come down because of competition among manufacturers, he said. It has ended a plethora of state and central taxes and laid the ground for reduction in prices in the long run.

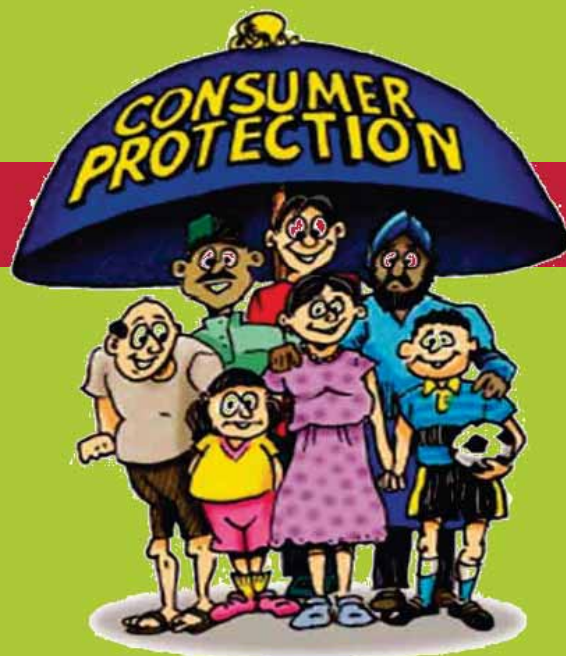
Consumers can no longer be cheated as they can see on receipts the tax they are paying.

Rigour for use of energy-efficient LED bulbs has not just brought down their prices but also helped save Rs 20,000 crore in electricity bills.

Besides this, the government has brought down prices of life-saving heart stent implants as well as knee implants. Paying consumers subsidy directly on cooking LPG has led to a saving of Rs 57,000 crore.

Addressing a global conference on consumer affairs, Shri Narendra Modi stressed that consumer interest has not just been protected by giving them rights, but also by taming inflation and various schemes that have helped poor and middle class save on spendings.

He cited examples of the Ujala scheme which provides cheap LED bulbs, saying it has resulted in a saving of Rs 20,000 crore through reduction of LED bulb price to Rs 40–45 a unit from over Rs 350, as also on electricity consumption.



THE GOVERNMENT HAS called for strict punishment, including jail terms and hefty fines for misleading advertisements and food adulteration, in the new consumer protection bill.

The consumer protection bill 2018 which seeks to replace the archaic Consumer Protection Act 1986, states that "Any manufacturer or service provider who causes a false or misleading advertisement to be made which is prejudicial to the interest of the consumers shall be punished with imprisonment for a term which may extend to two years and with fine which may extend up to 10 lakh Rupees. Further offences may lead to a jail term of 10 years and a fine of up to Rs. 50 lakh.

For celebrities involved in misleading advertisements, there will be penalties. There is no provision for a jail term. The new bill will ensure faster dispute redressal for consumers and will allow central government to regulate e-commerce and direct selling among other important measures.

This bill provides for simplification of consumer disputes adjudication process for faster disposal of grievances through filing of complaints by a consumer from his place of residence, e-filing and video conferencing for hearing. The bill also provides for product liability action, which means a complaint filed by a person before consumer court for claiming compensation for the harm caused to him on account of a Defective product or service.

- **The Consumer Protection Bill, 2018** was introduced in Lok Sabha by the Minister of Consumer Affairs, Food and Public Distribution, Mr. Ram Vilas Paswan on January 5, 2018. The Bill replaces the Consumer Protection Act, 1986. A Consumer Protection Bill to replace the Act was introduced in 2015, but has been withdrawn post the introduction of the 2018 Bill. Key features of the 2018 Bill include:
- **Definition of consumer:** A consumer is defined as a person who buys any good or avails a service for a consideration. It does not include a person who obtains a good for resale or a good or service for commercial purpose. It covers transactions through all modes including offline,

THE CONSUMER PROTECTION BILL 2018

and online through electronic means, teleshopping, multi-level marketing or direct selling.

- **Rights of consumers:** Six consumer rights have been defined in the Bill, including the right to: (i) be protected against marketing of goods and services which are hazardous to life and property, (ii) be informed of the quality, quantity, potency, purity, standard and price of goods or services, (iii) be assured of access to a variety of goods or services at competitive prices, and (iv) seek redressal against unfair or restrictive trade practices.
- **Central Consumer Protection Authority:** The central government will set up a Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers. It will regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements. The CCPA will have an investigation wing, headed by a Director-General, which may conduct inquiry or investigation into such violations.
- **CCPA will carry out the following functions, including:** (i) inquiring into violations of consumer rights, investigating and launching prosecution at the appropriate forum; (ii) passing orders to recall goods or withdraw services that are hazardous, reimbursement of the price paid, and discontinuation of the unfair trade practices, as defined in the Bill; (iii) issuing directions to the concerned trader/ manufacturer/ endorser/ advertiser/ publisher to either discontinue a false or misleading advertisement, or modify it; (iv) imposing penalties, and; (v) issuing safety notices to consumers against dangerous or unsafe goods and services.
- **Penalties for misleading advertisement:** The CCPA may impose a penalty on a manufacturer or an endorser of up to Rs 10 lakh for a false or misleading advertisement. In case of a subsequent offence, the fine may extend to Rs 50 lakh. The manufacturer can also be punished with imprisonment of up to two years which may extend to five years for every subsequent offence.
- **CCPA can also prohibit the endorser of a misleading advertisement from endorsing that particular product or service for a period of up to one year. For every subsequent offence, the period of prohibition may extend to three years. However, there are certain exceptions when an endorser will not be held liable for such a penalty.**
- **Consumer Disputes Redressal Commission:** Consumer Disputes Redressal Commissions (CDRCs) will be set up at the district, state, and national levels. A consumer can file a complaint with CDRCs in relation to: (i) unfair or restrictive trade practices; (ii) defective goods or services; (iii) overcharging or deceptive charging; and (iv) the offering of goods or services for sale which may be hazardous to life and safety. Complaints against an unfair contract can be filed with only the State and

National CDRCs. Appeals from a District CDRC will be heard by the State CDRC. Appeals from the State CDRC will be heard by the National CDRC. Final appeal will lie before the Supreme Court.

- **Jurisdiction of CDRCs:** The District CDRC will entertain complaints where value of goods and services does not exceed Rs one crore. The State CDRC will entertain complaints when the value is more than Rs one crore but does not exceed Rs 10 crore. Complaints with value of goods and services over Rs 10 crore will be entertained by the National CDRC.
- **Product liability:** Product liability means the liability of a product manufacturer, service provider or seller to compensate a consumer for any harm or injury caused by a defective good or deficient service. To claim compensation, a consumer has to prove any one of the conditions for defect or deficiency, as specified in the Bill.
- The manufacturer can also be punished with imprisonment of up to two years which may extend to five years for every subsequent offence.
- CCPA can also prohibit the endorser of a misleading advertisement from endorsing that particular product or service for a period of up to one year. For every subsequent offence, the period of prohibition may extend to three years. However, there are certain exceptions when an endorser will not be held liable for such a penalty.
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Benefits of various schemes

With GST, a new business culture is developing and in the long term consumers will be the biggest beneficiaries. It is a transparent system in which no one can hurt the interests of the consumers.

Increased competition among companies due to the GST will lead to moderation in prices and this will directly benefit poor and middle class consumers.

The time reduction in transportation of goods would also lead to fall in prices and this benefit will also be transferred to consumers. Inflation has been brought under control leading to economic benefits for poor and middle class consumers. Otherwise, the rate at which the inflation was rising during previous government's tenure it would have resulted in huge rise in the budget of the common citizen's kitchen," said Our Hon'ble Prime Minister.

Under the Direct Benefit Transfer (DBT) Scheme, by transferring the money directly into the beneficiaries' bank accounts the government has prevented leakage of more than Rs 57,000 crores. The government has strengthened the Public Distribution System through technology to ensure that the poor, who have the right to affordable food grains, get their due.

The "Give it up" campaign under which more than one crore beneficiaries surrendered their LPG subsidy and the saved subsidy amount have been used to give free gas connections to 3 crore households so far. A new Real Estate (Regulation and Development) Act has been enacted to protect home buyers and the government is working to achieve the target of housing for all by 2022. Consumers had to wait for years to get the possession of their homes and there used to be ambiguity regarding the area of the flat. Under the new law RERA, only registered developers can seek bookings after getting all the required permissions. Moreover, booking amount has been fixed only at 10 per cent.

The developers will not be able to divert buyers money to other projects as the new law provides that 70 per cent of money received from customers to be kept in an escrow account. The Bureau of Indian Standard Act has been enacted under which any commodity or service can be brought under compulsory certification. The Act has provisions to order recall of substandard products from the market.

Empowering consumers

Quoting UNICEF's recent survey, the Prime Minister said financial savings for each household in Open Defecation Free communities are Rs 50,000 per year, considering medical costs averted, value of time savings and mortality averted.

Under the Jan Aushadhi Pariyojna, the government is providing affordable medicines to people and 500 medicines have been included in the list of essential drugs and their prices have been reduced. The government has capped rates of coronary stents and knee implants. This also is saving crores of rupees for the poor and middle class people.

On a scheme to empower rural consumers on digital literacy, one person each from 6 crore households is being made digitally literate. This campaign will facilitate villagers for electronic transactions and availing government services digitally.

On Ujala scheme alone has caused saving of more than Rs 20,000 crore for consumers by reducing the cost of LED bulb and through reduction in electricity bills.

Talking about the global conference, in which 20 Asian countries participated, Shri Modi said the entire world is changing into a single market with globalisation and stressed on creating a "regional coalition" for consumer protection.

E-commerce and trans-border mobility of people have boosted cross-border transactions, calling for a strong regulatory system in every country and information sharing among countries to sustain consumer confidence. ▀

GOVERNMENT OF INDIA
MINISTRY OF POWER

UJALA APPLIANCES SCHEME LAUNCHED IN PUNJAB

- Consumers to get 9W LED bulb at Rs. 65/-, LED tube lights for Rs. 230/- and 5 Star rated fans at Rs. 1150/- from designated kiosks at PSPCL sub-div offices
- EESL plans to distribute over 1 crore LED bulbs, 10 lakh LED tube lights and 1 lakh fans in Punjab

PUNJAB

5 Star rated fans at Rs. 1150/-

9W LED bulb at Rs. 65/-

LED tube lights for Rs. 230/-

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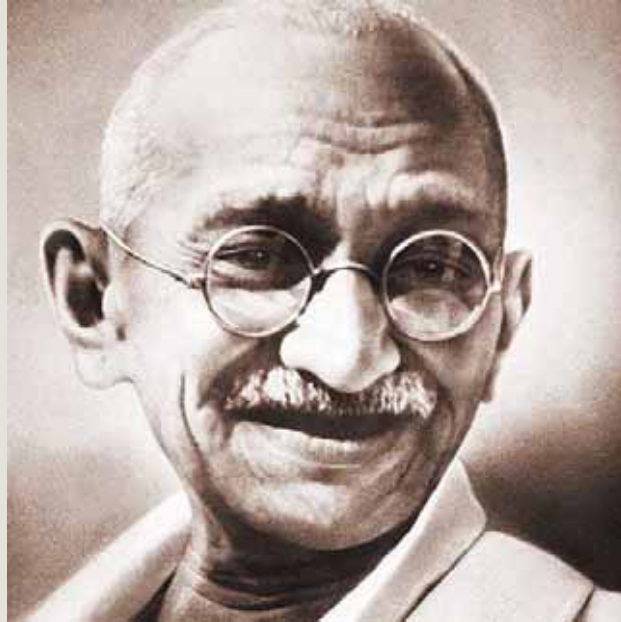
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ENDURING LEADERSHIP: **“We Are Becoming Pro-Consumer”**



Interview with **Mr Ram Vilas Paswan**, Minister for Consumer Affairs, Food and Public Distribution, Government of India.

Mr Paswan has been a Lok Sabha Member since 1977, about 70 per cent of Indians were not even born then.



“A customer is the most important visitor to our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider to our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”

— Mahatma Gandhi
in a speech in South Africa in the late 19th century.





Shri Ram Vilas Paswan, Minister for Consumer Affairs, Food and Public Distribution, Govt. of India

A heavyweight with a formidable track record at the top levels of Indian politics, Mr Ram Vilas Paswan has been tasked with a challenging portfolio—Consumer Affairs, Food and Public Distribution. His job is to ensure that the tormented customer's trust in the free-market economy is restored. It is a market where with the daily advent of new brands and slick marketing, consumer complaints are constantly on the rise. Mr Paswan needs to ensure that Mahatma Gandhi's noble words on the importance of the customer are practiced each day in this country. In previous Governments, Mr Paswan held key federal ministerial positions in Labour and Welfare, Railways, Communication and Information Technology, Coal and Mines, Chemicals and Fertilizers, and Steel. A Member of Parliament for 38 years, Mr Paswan has been elected to the Lok Sabha eight times, and nominated to the Rajya Sabha once. In the 2014 elections, he entered the Lok Sabha for the eighth time from Hajipur, a largely Dalit constituency he has made very much his own. He spoke to India Empire's Editor Sayantan Chakravarty at his Krishi Bhavan office in Lutyen's New Delhi.



We have issued guidelines that courts need to give judgments within 90 days of a complaint being filed.



Q Are you satisfied with the cooperation of various stakeholders such as State Governments, NCDRC, State Consumer Forums, District Forums, BIS and Voluntary Consumer Organizations?

We are very thankful to all activists with whom we have held meetings for discussing consumer rights and consumer protection. They are all knowledgeable. We have had three meetings with the Consumer Affairs Ministers of state Governments in the past one year to discuss problems being faced by the consumers. We are continuously holding meetings with the secretaries which are creating a lot of awareness. We have also written letters to the Chief Ministers, after all in states, consumer courts exist at two levels—district and state. We seek their cooperation in this movement. Usually at respective district, state and central levels the consumer forum is headed by a retired judge of a district court, a High Court, and Supreme Court. Members are appointed to each forum. As of now, unfortunately, consumer courts in our country are not functioning effectively. The reason is very basic—a lack of infrastructure and remaining headless. Five state forums including those in Kerala, Nagaland, Rajasthan and Telangana do not have presidents, and 17 of them do not have members. At the district level, 102 forums do not have presidents, and 266 of them are without members. Members at many places at district and state levels do not have a place to even sit. In some states they are paid a nominal salary, in some they do not even receive that. Our priority is to improve infrastructure and fill up

vacancies at the district level forums, because that is where 90 per cent of the cases are filed. We have also now mandated that if a case is not admitted within 21 days, it will automatically be considered an FIR so that the consumer does not suffer. Also, there is another major change we have brought about—while earlier a consumer needed a lawyer to file a case in a consumer court, now we have announced that the consumer does not necessarily need a lawyer and can file on his own.

Q Is there a way that things can be settled out of court?

We have made a few other changes. In case a State Court gives a judgment in favour of the consumer, it cannot be appealed at the National Forum. We have introduced a system of mediation, and it can be opted at any level. We are trying to make all these courts pro-consumer. We have issued guidelines that courts need to give judgments within 90 days of a complaint being filed.

Q We understand that you have formed the Consumer Protection Authority?

Yes. We have also authorized courts to handle not just individual complaints but complaints pertaining to a batch of products. The courts earlier did not have such authority. For instance, if a bottle of water is poor in quality, chances are that the entire batch has poor quality water. Now the entire batch can be looked into. The CPA will have various departments to cater to the consumers. It will have wide ranging powers. For



example if a builder promises you a ready-to-move-in house in 3 years, but fails to do so, the CPA will have powers to investigate. Investigation results will be submitted to the National Forum, but the CPA will be empowered to take action against the offender. Cases of unfair trade practice and false advertising will be addressed as well.

Improper services by hospitals, airlines and other organizations will also be investigated by the CPA.

Q How do you enhance awareness among consumers about their rights and responsibilities?

Currently, we have a campaign "Jago Grahak Jago" running but I feel there is great need for more aggressive campaigning at every level. For example, the gold and silver is brought by even the poor and people are unaware of the quality of gold in terms of carats. In some cases the consumer is given gold of 9 carats but is charged for 10 carat gold. Although there is hallmarking, it is not mandatory. We have made modification in the BIS also; we have placed it in Parliament as well. The Bureau of Indian Standards Act 1986 has been completely changed. Prime Minister has introduced 'Make in India' but how will it work if there are no proper standards, which is why the changes in BIS were necessary.

Q What is your personal vision and mission for the Department of Consumer Affairs?

I want this department to become the strongest it has ever

been in its history. I have been very fortunate that until now wherever I have been, I have made a difference to that department and taken it to the top. While with the Labour and Welfare Ministry I had to handle at the time what are 6 different departments today. The workload was enormous, as you can imagine. It was a very important portfolio. While with the Ministry of Railways I introduced 6 new railway zones, taking the number of railways zones to 10 in India. While in the Communications and IT Ministry, I realized that consumers were being charged Rs 16 per minute for outgoing calls, and even incoming calls were being charged.

The Consumer Protection Bill, once enacted into a law, will safeguard consumers' interests in a better way by addressing issues related to misleading advertisements, digital transactions and e-commerce. This will replace the 31-year-old law (Consumer Protection Act, 1986). On the e-commerce platforms, we cannot see things physically. When people purchase online, there are chances that the products they buy and receive are of substandard quality or there is no delivery at all. The new law will address all these issues.

If consumers are aware of the law, they can handle shopping on e-commerce platforms effectively.

The bill provides for hefty penalties up to Rs 50 lakh and even jail sentence in cases of misleading advertisement and adulteration.

On misleading advertisement, the bill provides for ban on erring celebrities as well. ▶

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**Partnership with
ITZ prepaid cards**
Forged a partnership with
ITZ prepaid cards six years
ago to digitise cash
transactions



**ATM enabled
purchases**
Bank ATMs enrolled
for Amway product
purchases



**95% collections
went digital**
in November, including
3,00,000 active orders
processed via debit,
credit, ITZ pre-paid cards
& Net Banking



**NACH
enabled product
purchases**
in the North-East



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Bank account and
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Pyush Misra

Director

Consumer Online Foundation

Achieving Effective Consumer Protection



E-COMMERCE HAS EVOLVED

dramatically over the years. There have been varied benefits that e-commerce had brought over a decade to consumers, including wider choices at competitive prices, as well as easy-to-use and more secure payment options. These years however also pointed to the higher complexity of the online environment and related risks for consumers. It showed that, for example, consumers' understanding of their rights and obligations was often challenged when they make purchases through non-traditional payment mechanisms, such as mobile phone bills or pre-paid cards, or when they acquire digital content products, such as apps or e-books.

It was further highlighted that when consumers use mobile devices for e-commerce in an "on the go" context, their tendency to take decisions based on heuristic techniques is exacerbated. Unauthorised charges, misleading and fraudulent commercial practices also remain problematic.

Following a thorough review, to address the challenges identified and achieve effective consumer protection while stimulating innovation and competition in the market, key new developments in e-commerce should come about.

- **Non-monetary transactions.**

Consumers increasingly acquire "free" goods and services in exchange for their personal data. Governments and stakeholders should be called upon to consider ways to provide redress to consumers experiencing a problem with such transactions.

- **Digital content products.** Transactions involving digital content often come with technical or contractual access or usage limitations and many consumers have difficulty understanding their rights and obligations. Language selection options should be added for better understanding while consumers should be provided with clear information about such limitations, as well as on functionality and interoperability.
- **Active consumers.** Current e-commerce business models increasingly blur the boundaries between consumers and businesses, with consumers playing a participatory role in product promotion and development, and entering into transactions with other consumers. Business activities that facilitate consumer-to-consumer transactions should be consumer centric and provisions to ensure that consumer endorsements are truthful and transparent should be encouraged.
- **Mobile devices.** The growing use of mobile devices for e-commerce brings a number of technical challenges to making information disclosures effective (e.g. on small screens) and can constrain record keeping by consumers. The need to account for the technological limitations or special characteristics of the device used should be in sync with the e-commerce module.
- **Privacy and security risks.** Consumer data is at the core of many e-commerce services and elevates privacy and security risks. The need to address these risks consistent with other instruments highlighting specific protections of particular importance for B2C e-commerce is a must.
- **Payment protection.** Recognising that the level of payment protection can vary depending on the type of payment mechanism used, governments and stakeholders should be called upon to work together to develop minimum levels of consumer protection across payment mechanisms.
- **Product safety.** In a number of countries, a range of unsafe products, which have been prohibited from sale or recalled from the offline retail market, are available in e-commerce. A new provision must be made to ensure that unsafe products are not offered to consumers online, and that businesses cooperate with the relevant authorities to address the problem. ▶

The Shift Of Power: From Brands to Consumers

"A satisfied consumer is the best business strategy of all"



INCREASINGLY, THE POWER in the digital marketplace is moving from the brand to a combination of the brand and the consumer. Traditional advertising saw brand-to-consumer marketing messages dominating. However, in the digital marketplace, the traditional marketing model faces tough competition, and digital transformation for businesses is essential.

Companies are now using social media to deliver messaging with greater impact. Is this possible? Well, it's happening right in front of your own eyes! Direct brand messages that have narrative structures are increasing persuasion and brand connections in both old and new media. And as consumer-to-consumer storytelling becomes more and more prevalent on social media, previous notions of direct brand influence are being replaced by more nuanced notions of brand-to-consumer and consumer-to-consumer marketing. According to research, consumers are 71% more likely to buy a product based on social media referrals. This, of course, is assuming that the referrals are positive...

Because brands are aware of this, they foster a relationship in which they become more 'personable', creating content and sharing content for and by consumers. This allows for complex combinations in which consumers share creative content with companies and then both the company and the brand users share that content further on social media. The customer experience is what is driving the new-age successful digital company. Simply put: successful digital brands get the customer. And more importantly, what the customer wants at a moment in time. If a brand isn't getting this right, the MIT Sloan Management Review article states that there are 3 pillars & 7 building blocks for Digital Transformation and these center around how to transform the customer experience.

3 pillars to transform the customer experience

1 Improve your Customer Understanding with Analytics

Really focus on customer behaviour and segmentation. For example, what is your open-rate with your email campaigns? If you have an especially low open-rate, you need to consider why that could be the case. Is your Copywriter terrible at writing compelling headlines?

2 Make your Customer Experience mobile friendly – at all costs!

In other words, enhance Top-Line Growth with digital products like smartphones, tablets, etc. It's relatively easy to do this if you are building your social media experience with the right, simple-to-use tools.

3 Use digitized Customer Touch Points.

For example, utilise social media to answer complaints as well as thank those who praise you – make communication transparent and easy.

In addition, making self service available via Apps allows for increased multi-channel usage and faster customer service. Gone are the days when having a call center to support customer service was sufficient.

Today, in a world of mobile, instant gratification, we have the opportunity to align all customer touch points seamlessly and cohesively. However, it is critical to understand the importance of digital transformation, including the integration of 'old



Companies are now using social media to deliver messaging with greater impact.

functional silos'. Inherently, a self-service App needs to integrate with all of the appropriate 'old functional silos' to create one platform in which all customer needs can be met. For example, a system which allows a customer to check their billing and make more purchases, as well as make queries into the service or product, would allow the integration of previously separated, 'old functional silos': "Sales" and "Customer Service" departments.

Ultimately, these transformations cannot take place without first reviewing the structure of your business model and operational processes. These will affect the customer experience.

6 building blocks for Digital Transformation

Crucial to the digital transformation of the customer experience is a review of the operational and business models that exist within your business. You can't transform customer experience without acknowledging the role that 'old functional silos' play in the operational processes within the business (these ultimately affect the customer experience). These 'building blocks' of transformation have been sorted by MIT Sloan into two categories: the first category is concerned with transforming the operational processes, while the second category concerns transforming the existing business model.

1 Transform Operational Processes

While there are a multitude of companies and academic institutions providing their thoughts on digital transformation, we like these simple building blocks highlighted :

- **Process Digitization with automation, adding new features.**
Listed first here, this is probably one of the most difficult areas

in our opinion. It involves new ways of doing things. Processes are learnt over time and not that easy to change. It usually also involves some downtime as the transition is made (the less downtime the better) and this is a contentious area. Typically, there could be potential revenue loss during the transition period. But forward-thinking CEOs realise that the cost of NOT digitizing the process far outweighs any possible downtime. The opportunity is to reduce the risk during the transition.

- **Allow Worker Enablement with collaboration & virtualization.**
Individual-level work has been virtualized — separating the work process from the location of the work. Knowledge sharing has become the de facto standard and offices are being redesigned to allow for greater collaboration. Given that projects change constantly (and evolve or mature), different skills are required at different stages. Virtual work areas facilitate this requirement for flexibility and ensure collaboration.
- **Prioritise Performance Management.**
With digital transformation, do not underestimate the need to completely reassess how you measure employee performance. Analytical systems are now more than ever before providing a level of detail which ultimately narrows down to the employee. The old saying of "what you measure, gets done", applies. In addition, the whole process of strategic decision making is being reconsidered. CEOs are now using existing collaboration tools to extend strategic planning sessions from a small number to a broader spectrum across the organization. Very often some of the best insights within a business can be gathered from the most unexpected of areas. And remember, a

better input into the process and a better input into the decisions ensures that the uptake of the vision is smoother.

2 Transforming Business Models

Companies are not only changing how their functions work; they are redefining how functions interact. The three building blocks of this transformation are digital modifications, the creation of new digital businesses, and digital globalization.

- **Digitally Modified Businesses – stay ahead of the competition & go digital.**

We all know by now that if you don't transform the way you do business, you're probably in trouble. Have you considered how you can begin to generate revenue streams online? Very often we are told that your customers don't even use the internet! This is no reason to continue in a non-digital world. While you're not focused on digitally transforming your business, your competitors are doing just that to their own businesses. And your customers will sooner or later head over to the better offer. Take for example my nearly 70 year old Mom. 3 years ago, she believed that technology was too intimidating, and should be reserved for the younger generation. Today, with iPad, laptop and cell phone in hand, she is arguably an untapped possible customer. Technology no longer scares her and she is quite vocal about how she is able to find anything she wants on Google! Now is the time to digitally modify your business. Opportunity is everywhere.

- **New Digital Businesses – complimenting existing offers with new offers.**

Product introduction is fast becoming a hot topic. Finding innovative new products to complement existing products is a wonderful way to explore new digital businesses. The sky is the limit in each and every business – it's your propensity to welcome the new world which will define the winners from the not-so-successful going forward. With conversion tracking, it is so easy these days to increase sales by offering a complimentary product at checkout, based on what the consumer has added to their basket.

- **Digital Globalization**

Today, more than ever before, you can become a truly global company. As MIT Sloan suggest, 'digital technology coupled with integrated information is allowing businesses to gain global synergies while remaining locally responsive.' Digital transformation is here and it's happening now.

- **Courage as the recipe for success**

Like anything else, to be successful, digital transformation requires strong leadership to drive change. Most of all it's about your vision, your dream (sometimes unimagined) and your attitude! But it also requires courage, out-the-box thinking and a realization that the sky is the limit. The speed at which you can take new products to market, measure success and quickly adapt is unprecedented. So whether it's how your employees work and collaborate, how your business processes are executed or in the way a company understands and serves customers, the last one being the most important of them all, digital technology provides a wealth of opportunity.

Consumers in the Digital Economy

Business-to-consumer ecommerce has evolved dramatically since its birth in the late 1990s, putting consumers on centre stage. Consumer ratings and reviews not only shape the buying experiences of other consumers but also affect business reputation and product development. The line between businesses and consumers is further blurred by the financial opportunities opened to consumers to sell, rent, and perform tasks for other consumers through Internet platforms. Such online activity generates a wealth of data used to sketch rich consumer profiles which have become core to ecommerce business models but also brings risks, including privacy and security risks.

Enhancing consumer trust remains a cornerstone for success in a dynamic and complex e-commerce marketplace. On 24 March 2016, the Organisation for Economic Co-operation and Development (OECD) revised its Recommendation on Consumer Protection for Ecommerce, modernising its approach to fair business practices, information disclosures, payment protections, unsafe products, dispute resolution, enforcement and education. The revisions built upon preparatory work that included specific policy guidance on mobile and online payments and intangible digital content products, released in 2014. Protecting digital consumers was a key theme at the OECD Ministerial on the Digital Economy, which took place on 22-23 June 2016, in Mexico.

The Internet is providing consumers with exciting opportunities to purchase an expanding range of products from a large number of suppliers, at lower prices. Enhancing the benefits of e-commerce for consumers will require maintaining an environment in which consumers have trust.

Countries should modernise their consumer protection laws to address new risks posed by online commerce, including "free" apps and peer-to-peer Internet transactions. Technological advances and market pressures have made telecommunications and ICT products and systems increasingly complex. Mobile providers are offering ever more sophisticated products and services. Though consumers take the full advantage of this developments they face problems of switching, fees, analysis of offers, etc. The OECD investigates how consumer policies could be amended and encourages its member countries to take appropriate actions.





HUMAN RELATIONSHIPS REMAIN KEY

Trust is playing by new rules in today's world of digitally driven marketplaces. But human relationships remain pivotal to building successful brand-consumer interactions today and into the future.

That was the general consensus across a panel of marketing and industry commentators at ADMA (Association for Data-Driven Marketing and Advertising Global Forum, who explored the nature of 'collaborative consumption' and how digital and technology are changing conceptions of trust.

While panellists agreed technology increasingly enables trust to occur across digital and physical interactions, it was equally clear it's the sociological trends and human relationships underpinning them that create or crush success.

Author and digital trends commentator, Rachel Botsman, said digitally disruptive brands such as Airbnb are utilising technology in order for consumers to trust strangers on a scale never possible before.

Coming forward to today, Botsman saw a second shift happening due to the collapse of trust around institutions, and the move towards 'distributed trust', or direct trust between human beings or with intelligent machines.

"There's this interesting question around whether technology can make us smarter about who we can trust, which changes how we fulfil our needs and wants," she said.

There are three broad reasons why trust has eroded, Botsman said. One is the perceived lack of institutional accountability in situations such as the GFC, while the second is the inversion of influence.

"The way you influence people historically was very much top-down fashion – you had a celebrity spokesperson or an economist telling you the way it is. Now we have an inversion of influence driven through peers," she said. "The third is tied to social media and echo chambers, where you don't hear these dissenting views but they are amplifying people's fears."

Another problem is institutions weren't designed for the digital age. "In contrast, digital marketplaces are in the business of trust. The way they design trust is so different from a

traditional brand," Botsman said. "The question is, can technology make us smarter around who and what we trust?"

eBay CMO, Tim MacKinnon, saw trust as fundamental to the online seller marketplace and said it's being propelled through data. For example, the company has a comprehensive customer feedback system, but it also uses objective data to track interactions. More recently, eBay has tapped machine learning to detect if a transaction looks fake, to remove offensive images, and to translate communications between customers globally.

"Technology is critical to trust and breaking these barriers down – it's enabling trust in ways we never before," he said.

"But the other side is retail basics. Even without technology, there are simple things you need to continue to do to build trust. For example, like retailers have lowest prices guarantee, we have a money back guarantee. We did an A/B test on creative on our homepage when we were running a sale, and we put the moneyback logo on the homepage, but kept it off in the control group. We saw a 22 per cent uplift in sales just from that."

Another way eBay builds trust is by "borrowing" it from partners, Mackinnon said, adding 80 of the top 100 retailers in Australia are now selling on the platform.

Over at Uber, trust starts at a company level, its CMO, Steve Brennen, said. "When you press the button and tap the app, the trust is with Uber first," he said.

Things in the back-end supporting that relationship are digital profile of drivers and transparency, automated payments, and 24-hour customer support.

What ultimately fosters that bond, however, is humans trusting other humans. "You have 3 million people in 65,000 cars travelling around every 90 days. That's a lot of humans in a small metal box, and humans have to trust humans for that to happen," Brennen said.

"Technology can do a lot to enable that, but the reality is a relationship involves trust. Like humans in a relationship, you have to have a level of credibility, reliability, self-interest relationships.

"Without trust, you won't go anywhere – it's the backbone of growing a business." And to make digital marketplaces accessible, safer and fairer, working on consumers' trust is key. ▶

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CONSUMERS INTERNATIONAL

COMING TOGETHER
FOR CHANGE



In 1962, U.S. President John F. Kennedy moved in the United States a bill for consumers rights and the Congress passed it with earnest consideration. Originally, only four rights of consumers had been specified. Over the years, the consumer's rights were finally given a much deserving concern and elevated to a position of international recognition and legitimacy. After a decade of prolong and hard lobbying, on April 9, 1985, the United Nation approved the general guidelines for consumer protection, proposed by the consumer's international, and other consumer rights group.

CONSUMERS' INTERNATIONAL

Roots

Consumers International, formerly known as the International Organisation of Consumers Unions (IOCU), is the group that organises World Consumer Day. It's a nonprofit organisation that was founded in the 1960s by a group of five consumer organisations from the US, Western Europe and Australia. Originally they were established as a global information exchange between the increasing number of consumer product-testing organisations that had sprung up in the post-war boom years. However they quickly established a formidable reputation as an agent for change on the consumer issues of the day.

Building a powerful international movement

Reputed institutions, the 70-year-old Consumers Union (CI) in the United States to mention one, are part of Consumers International, and the fee collected from the member organisations is the main source of fund for CI's activities. Consumers International (CI) is the world federation of consumer groups that, working together with its members, serves as the only independent and authoritative global voice for the consumers.

CI constitutes a powerful international movement to help, protect and empower consumers all over the world. It takes all out efforts to ensure a safe and sustainable future for all consumers in a dominant international marketplace. CI, a non-profit-earning company and controlled by guarantee is registered in the UK as a charity. In 10 short years after they started, they attracted 50 member organisations. Another decade later, they had achieved General Consultative Status at the United Nations (UN) – having helped wage and win major campaigns against transnational companies over issues relating to baby food and pesticides.

Their history has taken them from the US and Europe to Asia, the Middle East and Latin America, through Eastern Europe and across Africa. Today, they have more than 220 member organisations in over 115 countries, and they continue to grow.

CI is striving to put the rights of consumers at the heart of decision-making. Everyone anywhere should have access to safe and sustainable goods and services is the main criterion that CI works for. The strength of its collective power is made use of to safeguard the interests of consumers and at the same time making them aware of the responsibilities too. The vision of CI is focused on the entire world as a whole.

Their work has evolved to reflect greater involvement in issues ranging from public utilities and food and drug safety, to the environment and credit and debt that affect consumers everywhere.

What has not changed is their commitment to building a powerful international movement to protect and empower all consumers.

Biggest achievements

CI is committed to acting as a global watchdog, campaigning against any behaviour that threatens, ignores or abuses the principles of consumer protection.

CI manipulates this by working with national member organisations to influence governments, highlight market abuses and raise support from grass root level. It exerts pressure on matters of consumer concerns through its official representation at global bodies such as the United Nations (UN), World Health Organisation (WHO), International Organisation of Standardisation (ISO), and the Food and Agriculture Organisation (FAO). CI tries to instill awareness among consumers about purchasing choices through all possible media. Better consumer organisations around the world with improved house skills,

knowledge and expertise are coming up only with the committed involvement of the CI.

It bears in mind, "If a consumer is offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened, and national interest suffers" and works towards best customer service.

Since the 1960s CI has pioneered new methods of campaigning, mobilising disparate groups of people on a particular issue and targeting influential figures within government and industry to bring about change. Some of their campaigning achievements include:

UN guidelines on consumer protection

Getting guidelines on consumer protection adopted by the United Nations (UN) in 1985 after ten years of campaigning. The Guidelines spell out the main principles of consumer protection globally. Numerous countries have since adopted laws based on this model. The Guidelines were brought fully up to date in 2015, when, following campaigning by Consumers International and their members, the UN General Assembly adopted the revised UN Guidelines for Consumer Protection.

International networks

Establishing networks in the 1970s and 80s that achieved positive results for consumers including the International Baby Food Action Network (IBFAN) and Pesticides Action Network



(PAN). As a result they saw the adoption of the International Code of Marketing on Breast Milk Substitutes by the World Health Organization – the first such code designed to control widespread marketing abuses by baby food companies. They also campaigned against toxic pesticides and unethical marketing practices, successfully preventing the export of banned or restricted pesticides without the consent of governments in importing countries.

World Trade Organisation

Starting work in World Trade Organisation negotiations in 2001 and contributing to the 2015 abolition of export subsidies for agricultural products. This achievement supported consumers by helping to stabilise violent price fluctuations in agricultural products, particularly in developing countries.

International standards

Working on international standards and contributing to setting international benchmarks to guide businesses and governments towards providing and regulating for better services to consumers. The areas covered include water and sanitation, second-hand goods and social responsibility to most recently, mobile payments and energy. The energy standard was the first ISO standard ever to be initiated by an NGO.

G20

Successfully campaigning for the G20 to develop international principles on financial consumer protection and formalise FinCoNet, the international network of regulators for financial consumer protection. They were the first witnesses to give evidence to the G20 task force on consumer protection in financial services. Consumers International contributed to the high level principles adopted by G20 ministers in 2011. The principles help guide financial services providers and legislators to protect consumers in their financial affairs.

Consumers International and WORLD CONSUMER RIGHTS DAY

Celebrating the World Consumer Rights Day is with a purpose to unite consumers, a large but often fragmented section of the society, and reiterate that corporations must keep in mind their responsibility and not to break their promises or otherwise abuse the consumers who are so important to their survival. The occasion receives international attention, and is often marked with group discussions and seminars related to current events, underlying problems etc. and means to get rid of them in the consumer world.

World Consumer Rights Day (WCD) is an annual occasion for celebration and solidarity within the international consumer movement. WCD serves as an opportunity to proclaim the rights of consumers to demand respect and protection from



market abuses. It serves to drive home the message undermining that consumer rights are tantamount to social injustice.

The Theme for World Consumer Rights Day 2018

The theme for World Consumer Rights Day 2018 will be 'Making digital marketplaces fairer'. Building on the success of the 2017 #BetterDigitalWorld campaign, the 2018 campaign will aim to promote digital marketplaces that are more accessible, safer and fairer for consumers across the globe.

About the theme

E-commerce, or buying products and services online, has transformed the way we consume. Consumers with a connected device and a payment method can buy anything from music to take-away; book transport and accommodation; or buy tickets to events. This new way to trade has opened up a vast array of choice for consumers and enhanced convenience on a scale never seen before.

However, as these transactions often happen across borders, involve online companies without physical shops and almost anyone can create a website and set up a store online, there are issues and challenges for consumers that they simply wouldn't face when shopping traditionally.

Because of this, CI and the consumer movement must work to ensure that digital marketplaces are fair and secure. That if things go wrong there is redress and compensation available. That the ever-present danger of online fraud and scams is minimised and dealt with.

And so, along with benefits, e-commerce raises key issues for consumers such as: access to fair and secure markets, being sure there is redress when things go wrong, and being exposed to scams and fraud. Because of this, CI and the consumer movement must work to ensure that digital marketplaces are fairer for everyone. ▶

Making Digital Marketplaces Safer



Digital Marketers

Digital marketers are facing a reckoning. The public has caught on to what we've known for some time – that the lawless world of digital advertising is highly targeted, low cost, and – in the absence of proper oversight – dangerous. Set aside the technical aspects of how the last election played out in your news feed and think about the big picture first. Buying political ads isn't bad. Neither is placing product ads in newspapers, on billboards, or on the sides of buses. These are usual and expected strategies, ones that consumers long ago learned to decipher.

Digital ads, whether served in your newsfeeds or on popular sites, are different. In the span of an hour, I can create a Facebook page (“Nickelback is the best band ever!”), publish a post (“Nickelback nominated for 10 Grammys!”), customize an audience of my choosing (fans of “Hoobastank”) and throw \$50 behind it to reach several thousand people. Put another way: people who can't be identified, pay sums of money that can't be counted, to find specific people that

don't know they've been targeted and show them content designed to manipulate them. And no one is obligated to tell you any of that.

The public knows this, and they're starting to distrust what we're saying online.

There are a few schools of thought on what comes next. Policy impacts of this murky online universe will be politicized. The Government and regulators will be quick to pontificate but slow to act. We're already behind the ball, and we don't expect a grand bargain that brings transparency and accountability to digital marketing in the way a 21st century, digital bill of rights might. What's more likely is that the industry will attempt to self-regulate in the face of intense pressure. Additionally, industry players will likely band together through trade organizations, which can bear the brunt of the scrutiny in newspapers and through the media. Meanwhile, the debate will be consumed into the larger battle around campaign finance reform and the influence of big money in our politics. In short, real change will be a long slog.

So, here's our call to arms.

Digital marketers can help restore sanity to this system by making ourselves – and those we represent – trusted online sources. We'll do this in two ways:

1. Treat social media like you would a client or customer. It's not the side gig you give to interns or the junior staffer. What a brand says and does online is canon now, which means every piece of content you share had better be accurate.
2. Encourage real engagement. Creditability online will no longer be achieved by vanity metrics like followers and likes. The key lies in authentic engagement – the comments, shares, replies, and retweets – where Brand and User are having a two-sided conversation.

Social media is still a frontier, one that we're charting in real time. Those doing it right are bringing the whole crew with them, engaging multiple disciplines and collaborating across teams. Customer service should be as plugged into your social strategy as brand and marketing are. Now more than ever, we must help each other engage and nurture online communities.

Digital consumers are maturing, becoming more discerning. That's something we ought to encourage. Ultimately, it's on us to establish credibility for ourselves and our clients, or they'll leave us – and our work – in the dust.

Artificial Intelligence

Right now, brands are finding themselves increasingly preoccupied with the issue of brand safety. In the days when advertising was a more manual process, conducted

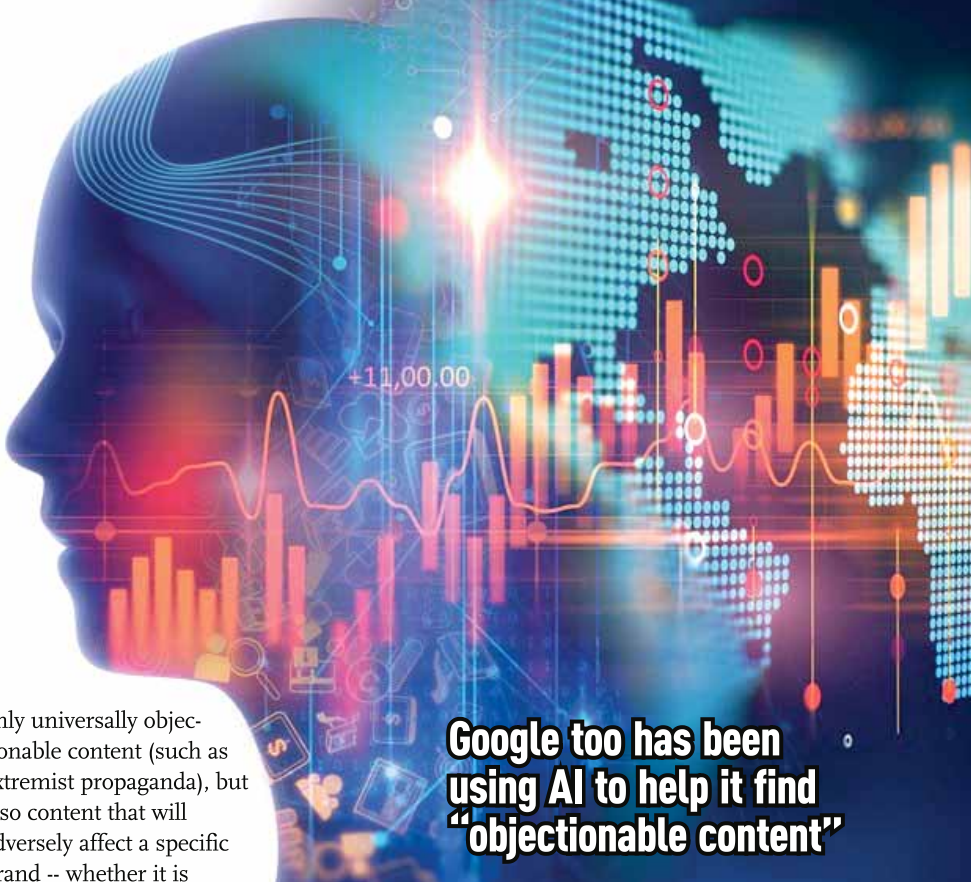
solely in print publications and on billboards and television screens, this wasn't so much of an issue: brands dictated where their ads would go, and didn't have to worry about their content showing up in places they deemed improper.

Flash forward to the internet age, and the rise of programmatic giants like Facebook and Google, and brands now find themselves in a very different situation. Instead of having complete editorial control, many brands have ceded the ability to place their ads to algorithms and other automated programmatic placement methods. As a result, some have started finding their ads in inappropriate places -- next to videos promoting not only terrorism and anti-Semitism, but also more commonplace subjects that brands might not want to associate themselves with, such as drug use or violence, for instance, or even politics. In order to protect themselves from being linked to these types of content, brands need to begin enlisting technology to prevent their campaign assets from showing up in the wrong places. Recent advancements in voice and image recognition can help brands do this by creating a better way of filtering content, as well as better safeguarding measures.

Image recognition is already being used by some social media platforms to filter out inappropriate content. Facebook began testing a way to use AI to flag inappropriate live videos last year, and recently announced that it was applying an AI algorithm to root out and delete extremist content on the platform. Google too has been using AI to help it find "objectionable content" and make it easier for advertisers to manage and review their ads. While these are steps in the right direction, brands shouldn't just rely on platforms to put an end to the problem; they must also take additional steps themselves to safeguard their brand values.

What brands need is a cross-platform solution that goes deeper than anything already being done by any single platform today, and relies on the use of voice recognition, image recognition, and other machine-learning models that are built specifically for the protection of brands.

These tools must be able to identify not



only universally objectionable content (such as extremist propaganda), but also content that will adversely affect a specific brand -- whether it is because it contains negative sentiment, mentions competitive brands, or otherwise includes objects and themes that are unrelated or contradictory to the brand's message. With the advent of deep learning, these are now things that AI can evaluate reliably and at scale.

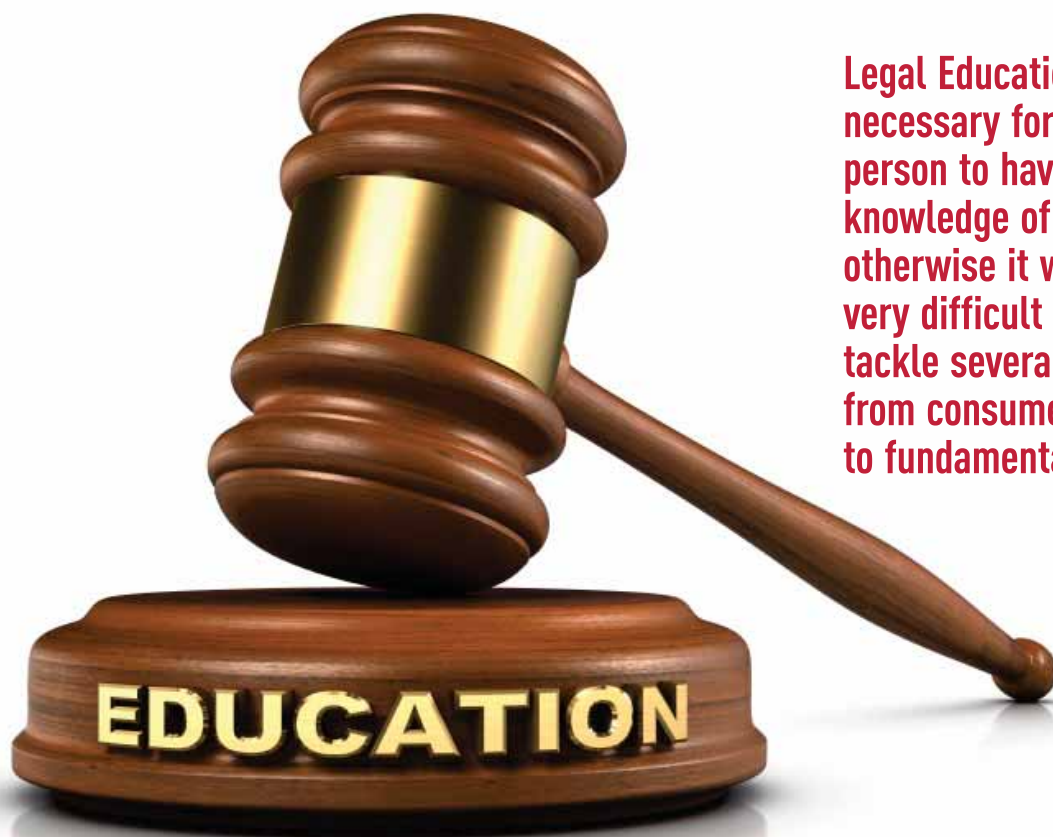
These algorithms and AI technologies can be used as more than just a defence against inappropriate content. In order for brands to use image and speech recognition effectively, they have to understand not only what content people might find offensive but also what content they want to be associated with -- which means knowing their brand values and target audience. A brand that only wishes to attach itself to the most popular piece of content at any given time might find it harder to determine the audience most receptive to its ads, and therefore harder to narrow down the parameters for its content filters. Conversely, a brand that understands its audience well can take steps to ensure that the content it messages against is the most relevant for its target consumers.

To give an example, say you're a company that makes sportswear that's

Google too has been using AI to help it find "objectionable content"

looking to advertise on YouTube. As popular as cat videos are, they're not really the right fit for your brand: while some people who watch those cat videos might be convinced to buy your exercise pants, there's not necessarily a direct link between the two. Now, if you were to set up an algorithm that uses image and speech recognition to ensure that your ads are only placed next to sports videos, that would allow you to do a kind of hyper-targeting without having to rely on Google or Facebook to place your ads for you.

Ultimately, it's about understanding. Brands need to understand the content they're messaging against, but they also need to understand their own content. By doing so, and by using speech and image recognition to create better mechanisms that will prevent their ads from showing up next to questionable content, brands will be able to protect themselves and reach out more effectively to their target audiences. Artificial intelligence will not only make brands' content safer, it will also make brands safer, by reducing their reliance on third parties and allowing them to have control over their own message. ▀



Legal Education is very necessary for every person to have certain knowledge of the Law, otherwise it would become very difficult for him to tackle several problems, from consumer protection to fundamental rights.

RIGHTS AND THE COMMON MAN

Know why basic Legal Knowledge is necessary for everyone: Spread the Word

IT HAS BEEN generally believed among different sections and groups of the society that legal education is only for law students, lawyers etc. But have you ever thought what an important role can basic legal education play in our daily life. It is very necessary for every person to have certain knowledge of the Law, otherwise it would become very difficult for him to tackle several problems, from consumer protection to fundamental rights. When a person hears the word " Legal Education", a picture which is framed in his mind is of lawyer or a law student or court or similar to all of these. We keep ourselves away from all these things, convincing ourself that this is not meant for us and going deep into its learning is not our cup of tea. But, have you ever thought that this ideology sometimes becomes the problem when someone takes away your right, and you would not be in a position to stop him

from doing so. It is not because you do not know such a person is taking away your rights, but because you do not know how to enforce and stop that person. Does not it become necessary in these kinds of situations to have certain legal knowledge, so that you might be able to stop that person from violating your right. Would it take much time to tell a person where to go and how to enforce his rights? These are the questions which are to be resolved.

Why Basic Legal Education is Necessary ?

There are certain laws and regulations, basic knowledge of which is very necessary for a person, even if he/she doesn't belong to a group which is related to a legal field.

If you don't belong to a legal profession, then have you ever thought of what you would do if someone stopped you from going somewhere? What would you do if someone stops you from entering a public place? What would you do if someone denies you an opportunity without any valid reason? If I am not wrong, your answer would be "yes", I have my right, and the person who is stopping me from doing such an act is definitely infringing my right".

But, the question is "What Rights? How to enforce it? And am I even interested in enforcing those rights?" Even after knowing those rights I can't enforce it, because I do not know how to enforce it. Indeed, it is true that even after having the knowledge of infringement of Rights, usually a person would ignore it as he doesn't know the means to enforce it. And it encourages such people, who are infringing the rights of several others without any reason. Moreover, this is the reason why certain basic knowledge of legal education is necessary.

Our Constitution has provided certain Fundamental Rights for every citizen and non citizen, but if you are not related to a legal field, then are you aware of these fundamental rights? It would not be wrong to say that there are several people, who are not aware of their Fundamental Rights, and due to which they do not even become aware when their Fundamental Rights get violated without any cause.

Take an example of a person who is caught by a police constable in the street without any reason, and has been dragged by him to the Police Station. Generally, a normal person would only plead not to arrest him, because he has not done something which is wrong. This is due to the lack of certain legal knowledge, he is not aware of the fact that "No Police Constable/ officer can arrest him without a warrant (except some serious



"No Police Constable/ officer can arrest him without a warrant (except some serious issues)".



issues)". Lack of knowledge is the main reason that certain rights of a person get violated so easily. It has been said that "Knowledge is Power", and indeed it is not wrong. An educated person would be well aware of his rights which no one can take away from him, but what about those people who do not have any such knowledge and are exploited easily?

How to know whether Your Right has been Violated

The main reason why the common man does not take the violation of his rights seriously is because he lives under a belief that he would have to pay a certain amount to the concerned lawyer. Moreover, he is scared of the legal process and the judicial system of the Country. And, indeed he is not wrong. But there is another way which can be used by you to know how your rights can be protected from getting violated.

There are around 952 Law Universities/ Colleges in India, which have been recognized by the Bar Council Of India. There is a provision in these colleges to have a department of 'Legal Aid Society/ Legal Aid Clinic'. This is the place where you can go to. If you are in a state of doubt as to whether your Right has been violated or not, reach out to a law college near you, and they would provide you the information which you are seeking. There are various law colleges who are not actively participating in these activities, and if you go around and ask them the reason why your rights have been taken away by someone, they would also become active.

Moreover, the poor, who are not able to bear the expenses of the court proceedings and lawyers, may reach out to the Legal Aid Officer who is available in every District at the District Court. They why should one wait, is it not our responsibility to make a common man aware of his rights and how these rights can be protected.

Without taking it casually, it would be best if we spread this word, in an emphatic and forceful way. ▶

Enforcing Consumers' HEALTHCARE RIGHTS AND RESPONSIBILITIES

POOJA
KHAITAN



The Supreme Court of India emphasised the need for rendering immediate medical aid to injured persons to preserve life, and the obligations of the state in this context.

IN MARCH 1998, the Advisory Commission on Consumer Protection and Quality in the Health Care Industry issued its final report, which included the Consumer Bill of Rights and Responsibilities. The Commission was appointed by President Bill Clinton, and co-chaired by Donna Shalala, Secretary of the Department of Health and Human Services.

The purpose of the Bill of Rights is:

- To build up consumer confidence in the health care system, by making it easy for consumers to be involved in their own health care.
- To strongly support the importance of a good health care provider and that of a good provider-patient relationship.
- To emphasize and support the importance of the consumers' role in making sure they have rights and responsibilities with regard to health improvement.

The Consumer Bill of Rights was developed by the federal government. This has been used by many health plans, including the federal-government-sponsored health plans.

These rights are neatly sketched and every country must move towards securing these rights for its citizens.



Consumer Bill of Rights

I. Information Disclosure

You have the right to receive accurate information you can understand about your health, treatments, health plan, providers, and health care facilities. If you speak another language, have a physical or mental disability, or just do not understand something, you will be helped so you can make informed health care decisions.

II. Choice of Providers and Plans

You have the right to choose your provider, within your health plan.

III. Access to Emergency Services

If you have severe pain, an injury, or sudden illness and you are concerned that you could be seriously ill, hurt, or could die, you have the right to get emergency services whenever and wherever needed, to be seen by a doctor and get services, even if you do not ask your health plan first, and you will not be charged a penalty.

IV. Participation in Treatment Decisions

You have the right to know all your treatment options, even if

they are not covered by your health plan, and make decisions about your care. Parents, guardians, family members, or others that you choose can represent you if you cannot make your own decisions.

V. Respect and Nondiscrimination

You have the right to considerate, respectful care, and to not be discriminated against by your doctors, other health care providers, or health plan representatives.

VI. Confidentiality of Health Information

You have the right to talk in private with providers and to have your health care information protected. You also have the right to review and copy your own medical record and ask your doctor to make corrections to your record if it is not accurate or complete, or if it has information that does not relate to your health care.

VII. Complaints and Appeals

You have the right to a fair, fast, and objective review of any complaint you have against your health plan, doctors, hospitals, or other health care personnel. This includes complaints about wait times, hours available, health care facilities, and the conduct of health care personnel.

Consumer Responsibilities

In addition to listing consumer rights for health care, the Advisory Commission on Consumer Protection and Quality in the Health Care Industry also listed the responsibilities of consumers. These are ways the consumer can work together with health care providers to get the best quality health outcome.

- Do your best to get well and stay healthy with habits such as exercising, not smoking, and eating a nutritious diet.
- Give your providers the information they need, and clearly communicate what you want and need.

- Be involved in making health care decisions with your health care providers.
- Work with providers to develop and carry out the treatment plans you choose.
- Use the health plan's internal complaint and appeal process to address concerns that may arise.
- Avoid knowingly spreading disease.
- Recognize the risks and limits of medical science, and know that providers are human and can make mistakes.
- Be aware of a provider's need to fairly provide care to other people and the community.
- Learn about your health plan's coverage and options (when available), including covered benefits, limits, services that are not covered, rules regarding information use, and how to appeal coverage decisions.
- Show respect for other people and health workers.
- Make a good-faith effort to pay your health care bills.
- Follow procedures outlined by your health plans and providers.
- Report wrongdoing and fraud to the right resources or legal authorities.

RECOGNISING PATIENTS' HEALTHCARE RIGHTS IN INDIA

The courts have recognised the people's right to proper healthcare and have also spelled out standards for such care and standards for determining negligence. In the landmark case of *Paramanand Katara v. Union of India*, the Supreme Court of India emphasised the need for rendering immediate medical aid to injured persons to preserve life, and the obligations of the state in this context. In addition to the constitutional mandate, from the viewpoint of tortious liability, the Bolam test lays down that any reasonable man entering an area of work which requires the attainment of a particular level of learning in order to be called a professional of that field impliedly assures those dealing with such a professional that the skill which s/he professes to possess shall be exercised and with a reasonable degree of care and caution. In this regard, the Court observed:

From these general statements it follows that a professional man should command the corpus of knowledge which forms part of the professional equipment of the ordinary member of his profession. He should not lag behind other ordinary assiduous and intelligent members of his profession in the knowledge of new advanced, discoveries and developments in his field. He should have such awareness as an ordinarily competent practitioner would have of the deficiencies in his knowledge and the limitations on his skill. He should be alert to the hazards and risks in any professional task he undertakes to the extent that other ordinarily competent members of the profession would be alert. He must bring to any professional task he undertakes no less expertise, skill and care than other



A “contract for services” implies a contract whereby the party rendering service is not subject to detailed direction and control but exercises professional or technical skill, knowledge and discretion. A “contract of service” involves an obligation to obey orders in the work to be performed and as to its mode and manner of performance.

ordinarily competent members of his profession would bring, but need bring no more.

Going by the fundamental premises established through the above rulings, even government hospitals, providing medical care free of cost, and the medical officers employed therein are duty bound to extend medical assistance for preserving human life, failing which negligence would be imputed to the act of the concerned authority. As stated in the case of *Laxman Balkrishna Joshi (Dr) v. Dr Trimbak Babu Godbole*,

...a doctor when consulted by a patient owes him certain duties, namely, (a) a duty of care in deciding whether to undertake the case; (b) a duty of care in deciding what treatment to give; and (c) a duty of care in the administration of that treatment. A breach of any of these duties gives a cause of action for negligence to the patient.

This article will examine the question of whether patients in government and charitable hospitals, who have not paid for their treatment, can claim rights as 'consumers' under the meaning of the Consumer Protection Act, 1986 (CPA).

The medical profession and the CPA

As pointed out by the Supreme Court in the case of *Poonam Verma v. Ashwin Patel*, negligence, as a tort, involves three

elements: a legal duty to exercise due care; breach of this duty; and consequent damages.

In *Dr A S Chandra v. Union of India*, it was held that service rendered for consideration by private medical practitioners, private hospitals and nursing homes must be construed as “services” for the purpose of Section 2(1) (o) of the Act; persons availing of such services are 'consumers' within the meaning of Section 2(1) (d) of the Act. However, this notion was rejected in *Dr C S Subramanian v. Kumarasamy*.

In *Indian Medical Association v. VP Shantha*, the question raised was whether the treatment provided by medical practitioners to their patients would constitute “service” under the meaning of the Act and whether patients would be treated as 'consumers' under the same. The apex court noted that the issues arising in the complaints against medical negligence can be speedily disposed of by the procedure being followed by consumer disputes redressal agencies. Section 3 of the Act—which prescribes that the provisions of the Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force — preserves the right of the consumer to approach the civil court for necessary relief.

The mandate of *Lucknow Development Authority v. M K Gupta* was:

...the entire purpose of widening the definition is to include in it not only day to day buying and selling activity undertaken by a common man but even such activities which are otherwise not commercial in nature yet they partake of a character in which some benefit is conferred on the consumer,...

According to this judgment, the definition of “service” as contained in Section 2(1) (o) of the Act was construed to be very

wide. The distinction between a “contract of service” and a “contract for services” was also stressed. A “contract for services” implies a contract whereby the party rendering service is not subject to detailed direction and control but exercises professional or technical skill, knowledge and discretion. A “contract of service” involves an obligation to obey orders in the work to be performed and as to its mode and manner of performance.

Since there is no relationship of master and servant between the doctor and the patient, the contract between the medical practitioner and his patient cannot be treated as a contract of personal service. It is a contract for services, and service under such a contract is not covered by the exclusionary part of the definition.

Free medical care not covered by the CPA

The Court, however, chose to adopt a restricted approach for cases pertaining to free medical care. It distinguished between circumstances in which services are rendered free of charge to everybody availing of them; when services must be paid for by everybody availing of them; and when they must be paid for but which are available free to persons who cannot afford to pay. It ruled that services rendered by doctors and hospitals falling in the third category would fall within the ambit of a “service” as defined in Section 2(1) (o) of the Act. Thus persons who are rendered free service are “beneficiaries” and as such come within the definition of “consumer” under Section 2(1) (d) of the Act.

However, the Court also held that the salary paid by government hospital administrations to employee medical officers in such institutions cannot be regarded as payment made on behalf of the person availing of the service. Nor can it be considered that such payments coming from taxes are made for the benefit of the person using the service.

The right to health and healthcare

The Universal Declaration of Human Rights states that everyone has the right to a standard of living adequate for the health and well being of himself and of his family (Article 25(2)). Article 39(e) of the Indian Constitution enjoins the state to direct its policies to secure the health and strength of workers. The term 'health' implies more than an absence of sickness. The maintenance of health is an imperative constitutional goal whose realisation requires interaction by many social and economic factors (Articles 22-25).

Primary health centres (PHCs) are the foundation of the rural healthcare system in India. Services provided by PHCs are targeted at the poor who are otherwise unable to afford healthcare. A large number of people receive free healthcare services, and these services can also entail risks and vulnerability to negligence. These numbers also imply a high level of duty of care and responsibility on the part of the doctor as well as the administration. The same is true of services

provided by charitable organisations, and there are thousands of such centres all over the country, including in remote areas, providing surgical and medical treatment of various levels of sophistication to millions of patients. The situation, therefore, cannot be artificially distinguished from a case where the consumer is paying for the medical service. Given these figures, it is obvious that the artificial distinction between free and paid medical service needs to be reconsidered while ascertaining the liability of service providers from the perspective of both the Constitution and the law of torts. In fact, excluding patients in government and charitable hospitals from the CPA penalises the poorest of the poor: they are forced, out of poverty, to seek free care and for this very reason denied the right to demand a certain standard of care, and be compensated if that standard is not maintained. If such a stand of law is accepted, it would result in the deprivation of essential human rights for an individual based merely on his economic incapacity. This cannot, by any stretch of the imagination, be the force and purpose which the law seeks to achieve.

Healthcare and consumer rights for the poor

This right has evolved in the United States. Since the patient rights movement of the 1970s, patients have received more protection than consumers in other circumstances. For example, while the latter may have access to some of their credit information, patients are entitled to all the information in their medical records because the information belongs to them. Further, a series of court decisions have recognised patients' rights to emergency care and culminated in state and federal legislation requiring hospitals with emergency departments to provide care to patients with emergency medical conditions regardless of insurance coverage or the ability to pay. This is the only right to medical care enjoyed by all Americans. The right to emergency care is an entitlement unique in common law and it is justified entirely by patient need. Not even housing or education assumes equal importance in the law.

Recent developments starting from the 1980s in the US have also seen a transition in favour of managed care organisations from a fee-based service where even the recipients of free medical care get their rights converted into those of private enforcement. The earlier fiduciary relationship has now metamorphosed into a contractual obligation wherein the poorer sections can assert themselves as consumers even more. The corporatisation of the previous scheme has actually resulted in providing a more systematised expression to the grievances of these people whose problems can now be settled through an internal redressal mechanism through appointment of ombudsmen.

Clearly our system would do well to take a leaf out of the US book with regard to a greater recognition and enforceability of rights of such patients in an attempt to usher in a new era of consumer protection. ■

Advice From Mouths of Seasoned Business and Leaders

As such, a lot of prominent business personalities share the same ideologies with the three pioneer entrepreneurs when it comes to customer services. Below are 15 of the best customer service quotes from prominent leaders, CEOs and Founders in business.

- **Bill Gates**, Founder and former CEO of Microsoft speaks to taking the negatives and turning them into positives for your company: "Your most unhappy customers are your greatest source of learning"
- **Dr. Gary P. Hamel**, an American Management Expert and an international management consultant explains the long-term benefits of customer service. "Most of us understand that innovation is enormously important. It's the only insurance against irrelevance. It's the only guarantee of long-term customer loyalty...it doesn't matter much where your company sits in its industry ecosystem, nor how vertically or horizontally integrated it is—what matters is its relative 'share of customer value' in the final product or solution, and its cost of producing that value."
- **Elon Musk**, former CEO of PayPal, SpaceX Founder and current CEO of Tesla has this to say about feedback: "I think it's very important to have a feedback loop, where you're constantly thinking about what you've done and how you could be doing it better."
- **Jeff Bezos**, an American investor, founder and CEO of Amazon.com, believes in the value of customer services. "We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."
- **Tony Hsieh**, Founder and CEO of Zappos. "We take most of the money that we could have spent on paid advertising and instead put it back into the customer experience. Then we let the customers be our marketing."
- **Joseph Jaffe** founder at Evolstion touches on customer service's impact. "Customer Service is everything and anything that touches a customer – directly or indirectly. Customer service means servicing customers, and it's so much more than just solving problems or addressing complaints. Customer service is part of a holistic customer experience that is capable of providing a critical competitive advantage in today's increasingly cluttered and commoditized marketplace."
- **Larry Page**, CEO of Alphabet (Google). "We have a mantra: don't be evil, which is to do the best things we know how for our users, for our customers, for everyone." The original "Don't Be Evil" was suggested by either Google employee Paul Buchheit or Amit Patel. This company slogan has since been retired and replaced by "Do the right thing."
- **Marc Benioff**, Co-Founder and CEO of salesforce.com.

"The future of communicating with customers rests in engaging with them through every possible channel: phone, e-mail, chat, Web, and social networks. Customers are discussing a company's products and brand in real time. Companies need to join the conversation."

- **Richard Branson**, Founder of Virgin Group. "Setting customer expectations at a level that is aligned with consistently deliverable levels of customer service requires that your whole staff, from product development to marketing, works in harmony with your brand image."
- **Sam Walton**, Founder of Wal-Mart on the philosophy that every customer is important: "There is only one boss—the customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."
- **Seymour Fine**, the author of *The Marketing of Ideas and Social Issues*. "When a customer complains, he is doing you a special favor; he is giving you another chance to serve him to his satisfaction. You will appreciate the importance of this opportunity when you consider that the customer's alternative option was to desert you for a competitor."
- **Shep Hyken**, a customer service speaker. "True loyalty doesn't come because of an app. It doesn't come because you have a punch card where after ten punches you get a free sandwich. It is about the relationship. Take away those "perks" and would the customer still be loyal?"
- **Steve Jobs**, former CEO of Apple. "Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves."
- **Walt Disney**, Founder of Disney. "Whatever you do, do it well. Do it so well that when people see you do it, they will want to come back and see you do it again, and they will want to bring others and show them how well you do what you do."
- **Zig Ziglar**, author, salesman, and motivational speaker. "Statistics suggest that when customers complain, business owners and managers ought to get excited about it. The complaining customer represents a huge opportunity for more business."

We know that it takes more than a few inspirational quotes from famous business people to get your customer service process right.

In this fast-paced digital age, reaching out to the desires and needs of consumers is more important than ever, particularly when your business is online and easily accessible. In today's business landscape, competitors are only a few clicks away. And just around the corner is social media, which provides an uncensored soapbox where customers can voice their dissatisfaction to legions of friends and followers. Companies that get online

customers on their side see soaring profits, while the others get crushed under a seething mass of keyboard-smashing, multi-exclamation-point-wielding rage.

Research shows that a social customer will tell an average of 42 people about a good customer experience, whereas that same customer will tell an average of 53 people about a bad experience! In order to build business loyalty and turn scathing complaints into glowing recommendations, take some advice from the mouths of seasoned business and leaders:

1. "There are so many new ways to serve customers. Technology, data, and information are opening new doors for us to lead through. Our purpose of saving people money will always be relevant, but we'll do it in new ways" – Doug McMillon (CEO, Walmart)

From the looking glass of your customers, you'll be better placed to spot the innovations that can take the customer experience to the next level. Intelligent, self-learning automated customer service and engagement engines, for example, can make a great addition to your technology stack, allowing you to provide swift, efficient, round-the-clock service to your customers, without compromising quality. Customer needs are the guide to your decision-making. These systems have the ability to learn, remember, collect and analyze data—ultimately enabling you to provide more relevant, personalized experiences.

Additionally, having access to social outlets on your site can help keep customers engaged in your products and create a community around your products. This keeps customers satisfied since they can stay updated on important news in real-time and connect with like-minded customers in order to make the most of their purchases. While everyone should have social links on Facebook and Twitter, it's worthwhile to also investigate on-site social media tools such as SpotIM, to make your social content easier and more convenient.

2. "Customer service shouldn't just be a department; it should be the entire company" – Tony Hsieh (CEO, Zappos)

Every cent you earn depends on serving your customer, so your entire business should be set up to serve your customers more efficiently. No matter what a given department title may be, customer service must be both a priority and an end goal. From top management, to entry level positions, anyone and everyone working for your company should live and breathe customer satisfaction. Head of Marketing at Pepperi, Oren Ezra says "Every business has those one or two employees that don't have the best attitude. Rather than dealing with their negative attitude, employers wind up trying to be understanding and allow these people to stay on board. What they may not realize is that negativity is contagious to other employees and the customers. Warn and work with these employees, and if the motivation isn't there, they can be replaced by vibrant positive people who will be an asset to your company".

If flawless customer service becomes the definitive incentive of your employees, you can guarantee increased success by way of reverse engineering.

3. "Your most unhappy customers are your greatest

source of learning" – Bill Gates (Founder, Microsoft)

In one way or another, Gates, arguably the most prominent digital leader of our time, paved the gateway to understanding customer service. Like many intelligent individuals, he has always been renowned for his ability to make lemonade out of lemons. We all love to be told what a good job we're doing, but real development actually comes from the complaints that companies receive. Rather than issuing apology templates, seek to enrich your company out of the criticism of unhappy customers. When you fail to reach customer satisfaction, aim to delve into their claims rather than disregard them as useless complaints.

More often than not, the process of learning from your business mistakes can indeed prevent future disputes. Most importantly, archiving this data and flagging down reoccurring incidents can permanently improve your service while creating a far more pleasant workplace. The results are irrefutable: sustainability, scalability, and success.

4. "If you make customers unhappy in the physical world, they might each tell six friends. If you make customers unhappy on the internet, they can each tell 6,000" – Jeff Bezos (Founder and CEO, Amazon)

Customer satisfaction is more important today than ever before. 140-character tweets reach many more people than word-of-mouth ever could. That's why it's worth taking some extra time to make your customer experience as pleasurable as possible. Never allow momentary success to go to your head—remember that for every handful of happy customers who don't have time to write a positive review, there is one enraged customer looking to share his irritations with the world...and it will spread like wildfire. Avoid modeling your customer support on ancient physical-world manners and learn to assimilate to the best practices of the dynamic nature of the internet. This means training employees to be professionally responsive to forums, talk-backs, reviews, and comments, and to take a proactive role in preventing unhappy customers from bad-mouthing your company.

5. "Forget about your competitors, just focus on your customers" – Jack Ma (Founder, Alibaba Group)

It's tough out there. The internet is flooded with companies that threaten to do it bigger, better, or stronger than you. No matter what the product or service may be, the only chance you have to succeed above the rest is to ensure that you are in constant touch with the needs and concerns of your driving force—your clientele. Do your research, understand the behavior and preferences of your consumers, and gain their unconditional support by catering to their desires. Place your focus on pleasing your customers rather than just keeping up with competitors.

In the words of the ultimate role model for ideal customer service, Richard Branson, founder of Virgin Group: "The key is to set realistic customer expectations, and then not to just meet them, but to exceed them—preferably in unexpected and helpful ways".

Ultimately, if you prioritize the client's experience, they'll respond by placing more orders. ▶

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World Consumer Rights Day

In 1962, U.S. President John F. Kennedy moved in the United States a bill for consumers rights and the Congress passed it with earnest consideration. Originally, only four rights of consumers had been specified. Over the years, the consumer's rights were finally given a much deserving concern and elevated to a position of international recognition and legitimacy. After a decade of prolong and hard lobbying, on April 9, 1985, the United Nation approved the general guidelines for consumer protection, proposed by the consumer's international, and other consumer rights group.

The Theme for World Consumer Rights Day 2018

The theme for World Consumer Rights Day 2018 will be 'Making digital marketplaces fairer'. Building on the success of the 2017 #BetterDigitalWorld campaign, the 2018 campaign will aim to promote digital marketplaces that are more accessible, safer and fairer for consumers across the globe.

CONSUMER RIGHTS

On March 15, 1962, President John F. Kennedy called for a set of four basic rights for every consumer:

- The right to safety,
- The right to be informed,
- The right to choose,
- And the right to be heard.

Basically, President Kennedy said, you should have the right to buy safe products, and the right to get the facts you need to make informed choices. He said, you ought to have a fair number of choices at a fair price, and the government needs to listen and respond to what consumers have to say.

It inspired a new generation of leaders to fight for greater protections in the areas of food, finances, auto, and product safety — protections that we all enjoy today.

These rights, along with four additional rights that have since been added, help set a foundation of a safe consumer.

The four additional rights are the right to consumer education, the right to redress, the right to a healthy environment, and the right to the satisfaction of basic needs, like adequate food, shelter, and health care.

A Digital **marketplace** (or **online e-commerce marketplace**) is a type of e-commerce site where product or service information is provided by multiple third parties, whereas transactions are processed by the marketplace operator. Online marketplaces are the primary type of multichannel ecommerce and can be a way to streamline the production process.

Digital marketers can help restore sanity to this system by making ourselves – and those we represent – trusted online sources. We'll do this in two ways:

1. **Treat social media like you would a client or customer. It's not the side gig you give to interns or the junior staffer. What a brand says and does online is canon now, which means every piece of content you share had better be accurate.**
2. **Encourage real engagement. Creditability online will no longer be achieved by vanity metrics like followers and likes. The key lies in authentic engagement – the comments, shares, replies, and retweets – where Brand and User are having a two-sided conversation.**

Brands need to understand the content they're messaging against, but they also need to understand their own content. By doing so, and by using speech and image recognition to create better mechanisms that will prevent their ads from showing up next to questionable content, brands will be able to protect themselves and reach out more effectively to their target audiences. Artificial intelligence will not only make brands' content safer, it will also make brands safer, by reducing their reliance on third parties and allowing them to have control over their own message.

A Satisfied Customer is the best business strategy of all.

Both consumers and sellers face risks in anonymous transactions. Sellers risk not being paid, having their assets damaged, or having to deal with an overly demanding or unpleasant buyer. Consumers face the risk of not getting the good or service that they expected to get. The typical solution to the problem of trust has been a combination of firms developing reputable brands and governments requiring that sellers comply with regulations.

3 pillars to transform the customer experience:

1 Improve your Customer Understanding with Analytics.

Really focus on customer behaviour and segmentation. For example, what is your open-rate with your email campaigns? If you have an especially low open-rate, you need to consider why that could be the case. Is your Copywriter terrible at writing compelling headlines?

2 Make your Customer Experience mobile friendly – at all costs!

In other words, enhance Top-Line Growth with digital products like smartphones, tablets, etc. It's relatively easy to do this if you are building your social media experience with the right, simple-to-use tools.

3 Use digitized Customer Touch Points.

For example, utilise social media to answer complaints as well as thank those who praise you – make communication transparent and easy.

Business-to-consumer ecommerce has evolved dramatically since its birth in the late 1990s, putting consumers on centre stage. Consumer ratings and reviews not only shape the buying experiences of other consumers but also affect business reputation and product development.



Brands need to understand the content they're messaging against, but they also need to understand their own content. By doing so, and by using speech and image recognition to create better mechanisms that will prevent their ads from showing up next to questionable content, brands will be able to protect themselves and reach out more effectively to their target audiences.

The Internet is providing consumers with exciting opportunities to purchase an expanding range of products from a large number of suppliers, at lower prices. Enhancing the benefits of e-commerce for consumers will require maintaining an environment in which consumers have trust.

Countries should modernise their consumer protection laws to address new risks posed by online commerce, including “free” apps and peer-to-peer Internet transactions.

Adopting practises that elevate the customer experience will undoubtedly produce a return on investment and provide a steady foundation for the brand.

In March 1998, the Advisory Commission on Consumer Protection and Quality in the Health Care Industry issued its final report, which included the Consumer Bill of Rights and Responsibilities. The Commission was appointed by President Bill Clinton, and co-chaired by Donna Shalala, Secretary of the Department of Health and Human Services.

The purpose of the Bill of Rights is:

- To build up consumer confidence in the health care system, by making it easy for consumers to be involved in their own health care.
- To strongly support the importance of a good health care provider and that of a good provider-patient relationship.
- To emphasize and support the importance of the consumers' role in making sure they have rights and responsibilities with regard to health improvement.

Clearly our system would do well to take a leaf out of the US book with regard to a greater recognition and enforceability of rights of such patients in an attempt to usher in a new era of consumer protection.

Sectoral self regulation is an immediate starting point. To trigger this, the business community should review business processes. They must find ways to integrate sustainability and consumer protection.

Research shows that a social customer will tell an average of 42 people about a good customer experience, whereas that same customer will tell an average of 53 people about a bad experience!

It is very necessary for every person to have certain knowledge of the Law, otherwise it would become very difficult for him to tackle several problems, from consumer protection to fundamental rights.

India's consumer protection traditions dated back to 2,500 years. Laws existed even in the Vedic period to prevent unfair trade practices and adulteration of products

The New Consumer Protection Act keeps in view business practices and requirements of the country. The Act lays great emphasis on consumer empowerment. This law replaces the Consumer Protection Act of 1986 by incorporating the amended 2015 UN guidelines on consumer protection.

Protecting the consumer interest is government's priority. The government through various steps such as GST, real estate and BIS laws and Ujala, Ujjwala and DBT schemes, is helping consumers save money.

The consumer protection bill 2018 which seeks to replace the archaic Consumer Protection Act 1986, states that "Any manufacturer or service provider who causes a false or misleading advertisement to be made which is prejudicial to the interest of the consumers shall be punished with imprisonment for a term which may extend to two years and with fine which may extend up to 10 lakh Rupees. Further offences may lead to a jail term of 10 years and a fine of up to Rs. 50 lakh. ▶



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Posted at Lodi Road HPO, New Delhi on 9-10th of every month
Published on 6th of every month

RNI No. DELENG/2015/67140
REG. NO. DL (S)-17/3523/2017-19

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