

## **An Integrated Protection Framework to Preserve Consumers' Rights and Responsibilities in Bangladesh**

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**Abstract:** Consumers are the nucleus of all marketing activities as they dictate the market mechanism. But these consumers in developing countries are victim of deprivation of their basic rights due to unawareness of their fundamental responsibilities. In this paper, we have articulated all the rights and responsibilities as per some established guidelines and assessed each of them in the context of Bangladesh. The survey result shows that most of our consumers are not aware of their rights and responsibilities, so we have recommended an integrated protection framework to preserve consumers' rights and responsibilities.

**Keywords:** Consumerism, Enlightened Marketing, Integrated Protection Framework

### **I. Introduction**

Marketing is the delivery of customer satisfaction at profit' (kotler & Armstrong, 1998). But survey shows that consumers in developing countries remain dissatisfied in most cases as they are deceived by marketers through high cost of distribution, high advertising and promotion costs, and excessive markups (karas, 1998). And to a larger extent this deception is caused by unawareness of consumers about their rights and responsibilities.

Besides there is no effective legal provision designed to protect the interest of the consumers in Bangladesh. And there is no legal entity to oversee the trading practices of business firms. Some businesses may consider gaining unfair competitive edge by misleading claims about their products' value, quality, and place of origin and ingredients in order to promote sells.

Civil society groups acting on behalf of the consumers are almost non-existent in Bangladesh. The existing Consumers Association of Bangladesh (CAB), has not been particularly very effective in raising the concerns of the consumers

As a result, policy makers most often see strong lobbying in favor of demands for protection, they hardly encounter with popular public demands for not grating those protective measures.

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In this paper, we have recognized consumers' rights and responsibilities as per united nation's guidelines and evaluated each in our context. Therefore we have recommended a protection framework specifying the roles of different bodies to protect our consumers from all edges.

## **2. Objectives**

- To identify consumers' rights and responsibilities under united nation's guidelines.
- To evaluate consumers' awareness level about each right and responsibility in the context of Bangladesh.
- To develop an integrated protection framework to preserve consumers' rights and responsibilities.

## **3. Methodology**

Through exploratory research, we have identified all the dimensions of consumers' rights and responsibilities and formulated hypotheses on the basis of core variables. Then we have applied conclusive research to prove the hypotheses. We have conducted our study over 100 sample elements applying cluster sampling technique as sample elements are externally homogeneous and internally heterogeneous. The instrument has been designed under 5 point likert scale where '1' refers to 'strongly disagree' and '5' refers to 'strongly agree'. We have collected data through cross sectional survey method with a focus on mall intercept interview (Malhotra, 2004). Finally data have analyzed under parametric research procedures to prove the hypotheses (zikmund, 2003) regarding the awareness level of consumers' rights and responsibilities.

## **4. Literature review**

Consumer Rights as significant issue have evolved since US president john F Kennedy introduced the term through historic declaration in 1962 of four basic rights of the consumers –the right to safety, the right to be informed, the right to choose and the right to be heard. “Consumers are the target economic group, affecting and affected by all most every public and private economic decision. Yet they the only important group.... whose views are often not heard,” he declared (kotler,2002). According to the wider view of consumer interests, the term “consumer” is virtually equated with the term “citizen”. It is said that the consumer interest is involved when citizens enter exchange relationship with institutions like hospitals, libraries, police forces and various government agencies, as well as with business.( Aaker and Day,1974)

Over the years, consumer international by consensus among its members, has expanded these rights to eight .The right to redress and the right to consumer education were the

first additions to be incorporated, followed by right to a healthy environment and the right satisfaction of basic needs-food, shelter, education, clothing and health. This expansion from 4 to 8 rights demonstrates the evolution of consumer advocacy from “value for money” to value for people. This vision has since been broadened to encompass “social and economic justice for all consumer all over the world,”(UN guidelines for consumer’s rights:1985)

The contemporary consumer movement identified as consumerism that started in mid sixties as essentially a loner’s crusade by Ralph Nader against the auto industry forcing them to follow safety regulations strictly.

Consumerism may be defined as an organized movement of citizens and government to establish rights and power buyers and protect the interests of the consumers from deception & fraud. Bennett Dictionary of marketing terms consumerism as the organized efforts of consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated in the acquisition in standard of living. Evans and Berman in their book Marketing describes consumerism as the wide range of activities of government, business and independent organizations that are assigned to protect people from practices that infringe upon their right as consumers.

No discussion of consumer movement can be complete without mentioning Ralph Nader, the pioneer of consumerism. Nader began to gain national attention in 1966 after testifying before the US Congress that defective design of auto-vehicles was a major cause of accidents and injuries. His testimony was instrumental in the passage of the nation traffic and motor Vehicles Safety Act (1967) that brought car design under federal control. Nader’s efforts were also instrumental in the passage of the while some Meat Act (1967) and a legislation on issues such as natural gas pipe line safety and radiation hazards control. In 1968 he had mobilized college students nick-named Nader’s Raiders ‘ in study groups that investigated the activities of government regulatory agencies. In 1971 Nader founded a consumer lobbying group, public citizen Inc. Thus, Ralph Nader single handedly spearheaded the consumer movement starting with auto-industry later opening his onslaught on all fronts. In fact, the scope of consumerism rapidly expanded from the mid-sixties to the late seventies and helped enactment of several laws protecting the rights and interests of the consumers in United States. (Nader, 1968)

With the adoption of the United Nations Guidelines for consumer Protection in 1985 the consumer movement gained further movement. The guidelines embrace the principles of the eight consumer rights and provide a framework for strengthening national consumer protection policies. With the UN’s adoption of the guidelines consumers rights were finally elevated to a position of international recognition and legitimacy, acknowledged by developed and developing country alike.

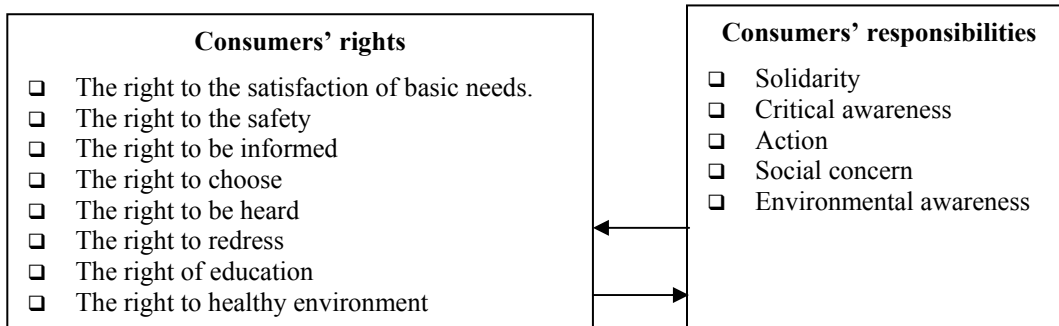
Today consumerism in the advanced as well as in many of the developing countries is meant not only as a social movement for realization of consumers' rights but it means a promise as well to make a happy and resourceful world free from wants and hazards.

**The meaning of consumer protection**

The scope of consumer protection is quite vast and engulfs even newer interests and aspects. The consumer protection charter of the council of Europe and the consumer policy program adopted by the European community in April, 1975 contains what may be termed the scope of consumer protection and covers a broad spectrum of goods and services – everyday goods and consumer capital goods such as domestic appliance, cars and boats repair and maintenance works, private houses and vacation cottages, travel and insurance as well as broader issues such as planning alternatives and costs for housing, the house hold and the use of leisure time.

The purpose on consumer protection thus consists in: “Defining standards and rules and setting up procures and structures which serve to promote the interests of the consumers on the market. However, it extends well beyond the mere protection of economic interests of the consumers to become part of more general social policy on consumer affairs.” (The Bourgoignic (ed) European consumer law, 1982).

**Figure 1: Consumers' rights and responsibilities**



***Narrow perspective of consumer protection:***

“Consumer law focuses mainly on citizens entering transactions to obtain products and services from commercial enterprises... it is what is generally regarded as the thrust of consumer protection legislation, such legislation confines itself to transactions involving goods and services.” (Cranston, 1984)

***Wider perspective of consumer protection:***

“Consumer interest is involved when citizens enter exchange relationships with institutions like hospitals, libraries, police forces and various government agencies as well as with business.” (Aaker, 1974).

Thus we can conclude that consumer protection is a large area covering a diverse range of laws and policies. It includes such topics as the regulation of market place relations (contract terms, advertising,) the establishment of health and safety standards for products sold to consumers and regulation of the provision of certain services (credit, professions, public services etc). In short consumer protection law is designed to protect citizens or consumers against injuries thought to occur in unregulated markets.

The aims of consumer protection require the fulfillment of several conditions, which include the following:

- ❑ Consumer information, without which it is almost impossible for the consumer to exercise his real freedom of choice. Information is required primarily in three areas: the quality and safety of goods and services available on the market; the price of goods and services offered and the rights that consumers can exercise in their dealings with suppliers;
- ❑ A genuine network of legal advice services which are readily accessible and competent in consumer affairs.
- ❑ There must be effective protection of consumers against excessive examples of imbalances in their relations with suppliers.
- ❑ Consumers must be given real opportunities to defend their rights and obtain redress for any damage suffered;
- ❑ Consumers must be involved, through consultation and representation in decision-making not only by public authorities but actually within companies, which affect their interests. Participation by consumers in the law making process is an essential factor in the development of specific consumer law.

Education on consumer problems needs to be organized, so that the citizen is in a position to make active use of the legal aid, which it is intended to make available to him. In a broad sense, law reform has to be accompanied by consumer education since there is no denying the fact that “you cannot legislate for fools”

This enumeration of the types of action needed to promote consumers interests provides an accurate indication of the fields in which consumer law should come to play, foremost among which are:

- Protection against risks of physical injury to persons or property and against useless products.
- Protection against improper marketing measures and inadequate information.
- Protection against one sided contract terms and risks of economic damage.
- Provision of effective and impulsive dispute resolution procedures for the consumer
- Monitoring of the mechanism whereby prices and rates are fixed on the consumer goods and service market.

- Surveillance of practices or agreement jeopardizing the competitive structure of market sector.
- Planning of a consumer education program.

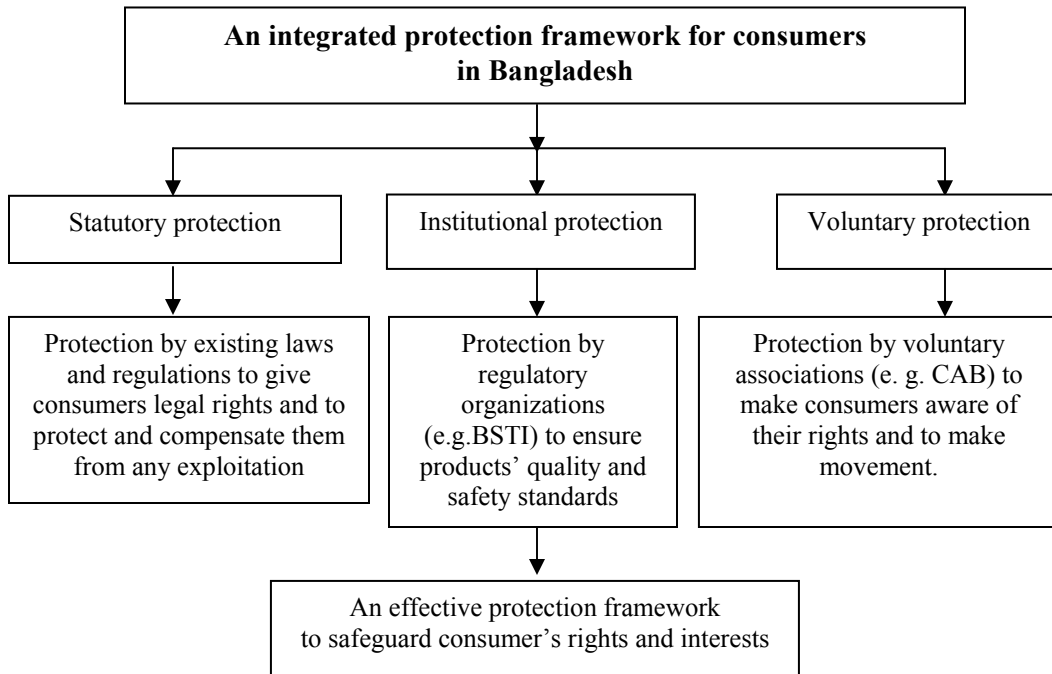
Prof. Bernitz (1976) summarizes the picture in the following words: “ it calls for several bold reform and new interpretations: greater formalism in contracts, increased responsibilities for suppliers to provide consumers with positive information, compulsory definition of certain clauses in contracts, introduction of mechanisms departing from the ordinary law of contract to give consumers an opportunity to think things over, introduction of bans or requirement for prior authorization under public or administrative law, etc.”

### **The meaning of integrated protection framework**

An Integrated protection framework for consumers' means when all the bodies of protection framework work together to serve a common purpose, that is, to safeguard the rights and interests of consumers. Here, in our case we have brought the legislative, regulatory and voluntary bodies of consumer's protection under one umbrella. Through legislative framework, we have ensured consumers' legal rights; through regulatory framework, we have ensured products' quality and safety standards and through voluntary framework we have ensured consumers' awareness about their rights and a movement against mass exploitation.

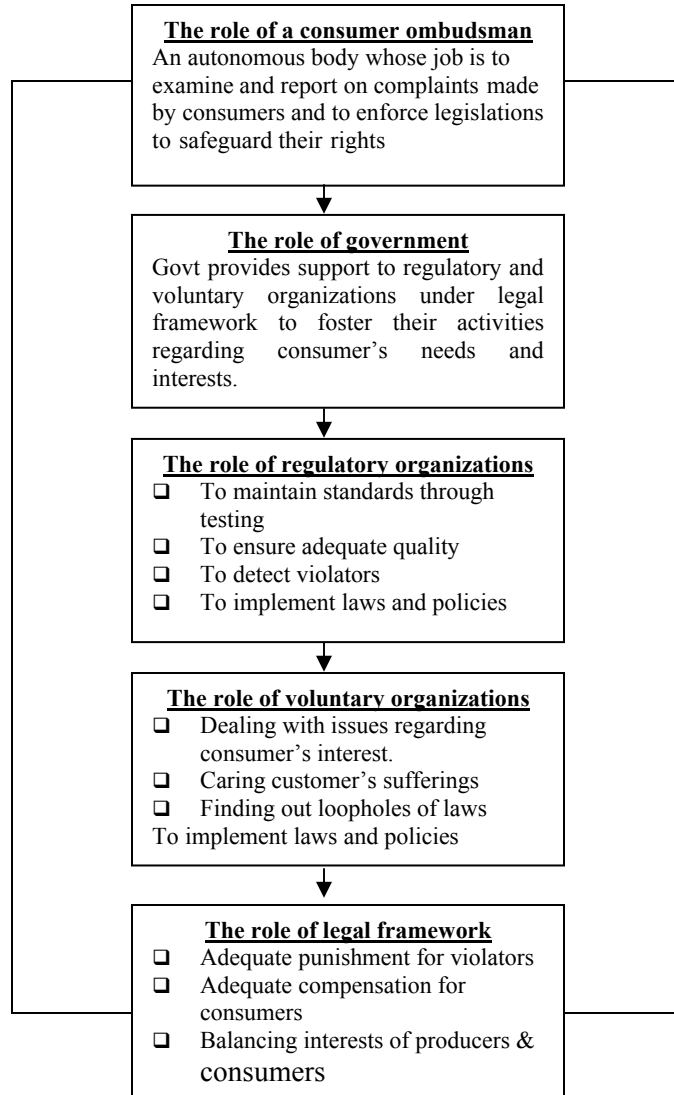
Next page, in the figure 2, we have showed these three types of protections through three types of forces. For statutory protection, present laws should be modified and new laws should be introduced according to the demand of the recent situations. For institutional protection, different institutions like BSTI should focus on the quality and safety of the products and to check the possible opportunities to deprive the consumers. And finally, consumers should voluntary protect themselves from being deprived. This can be implemented by a well-organized effort like Consumer Association of Bangladesh (CAB) or by simply aware of their own rights and responsibilities.

By ensuring these three types of protection, an effective protection can be made for consumers. A summery of this discussion is as below-

**Figure 2: An integrated protection framework****The role of different bodies in integrated protection framework**

There are different roles of different bodies to ensure an integrated protection for consumers in Bangladesh. In the figure 3, a brief description of responsibilities of different bodies like consumers, government, regularity institutions and voluntary organizations are discussed. Some of these responsibilities are interdependent of the performance of other parties. In that situations, all of them should work simultaneously and in co-ordinated way to extract the highest potentiality of each of them.

**Figure 3: The role of different bodies in the integrated protection framework**



## 5. Hypotheses development

### **Hypotheses pertinent to consumers' rights:**

**H1:** Consumers are not aware of their rights to the satisfaction of basic needs.

**H2:** Consumers are not aware of their rights to the safety

**H3:** Consumers are not aware of their rights to be informed.



**H4:** Consumers are not aware of their rights to choose.

**H5:** Consumers are not aware of their rights to be heard.

**H6:** Consumers are not aware of their rights to get redress.

**H7:** Consumers are not aware of their rights to get education.

**Hypotheses pertinent to consumers' responsibilities**

**H1:** Consumers are not aware of their responsibilities of solidarity.

**H2:** Consumers are not aware of their responsibilities of critical awareness.

**H3:** Consumers are not aware of their rights to be informed.

**H4:** Consumers are not aware of their rights to choose.

**H5:** Consumers are not aware of their rights of environment-awareness.

**6. Empirical results**

**H1:** consumers are not aware about their rights to the satisfaction of basic needs. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their rights to the satisfaction of basic needs.

**H2:** consumers are not aware about their rights to the safety. This hypothesis is not accepted as the probability .170 is greater than the significance level .05. So we should not accept the hypothesis and can conclude that consumers are aware about their rights to the safety.

**Testing of hypotheses over the rights of consumers:**

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
the right to the satisfaction of basic needs	-3.692	99	.000	-.44	-.68	-.20
the right to safety	-1.381	99	.170	-.15	-.37	6.55E-02
the right to be informed	-2.708	99	.008	-.26	-.45	-6.95E-02
the right to choose	-4.293	99	.000	-.49	-.72	-.26
the right to be heard	-5.886	99	.000	-.65	-.87	-.43
the right to redress	-2.959	99	.004	-.32	-.53	-.11
the right to the education	-5.593	99	.000	-.53	-.72	-.34
the right to the healthy environment	-5.617	99	.000	-.69	-.93	-.45

**H3:** consumers are not aware about their rights to be informed. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their rights to be informed.

**H4:** consumers are not aware about their rights to choose. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their rights to choose.

**H5:** consumers are not aware about their rights to be heard. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their rights to be heard.

**H6:** consumers are not aware about their rights to get redress. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their rights to get redress.

**H7:** consumers are not aware about their rights to get education. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their rights to get education.

**Testing of hypotheses over the responsibilities of consumers:**

**H1:** consumers are not aware about their responsibilities of solidarity. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their responsibilities of solidarity.

**One-Sample Test**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
solidarity	-4.351	99	.000	-.53	-.77	-.29
critical awareness	-1.596	99	.114	-.16	-.36	3.89E-02
action	-3.605	99	.000	-.42	-.65	-.19
social concern	-4.454	99	.000	-.52	-.75	-.29
environmental awareness	-6.230	99	.000	-.70	-.92	-.48

**H2:** consumers are not aware about their responsibilities of critical awareness. This hypothesis is not accepted as the probability .114 is greater than the significance level .05. So we should not accept the hypothesis and can conclude that consumers are aware about their responsibilities of critical awareness.

**H3:** consumers are not aware about their rights of action. This hypothesis is accepted, as the probability .000 is less than the significance level .05. So we should accept the

hypothesis and can conclude that consumers are not aware about their responsibilities of action.

**H4:** consumers are not aware about their rights of social concern. This hypothesis is accepted as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their responsibilities of environmental awareness.

**H5:** consumers are not aware about their rights of environmental awareness. This hypothesis is accepted, as the probability .000 is less than the significance level .05. So we should accept the hypothesis and can conclude that consumers are not aware about their responsibilities of social awareness.

## 7. Recommendations

- There must be an active Consumers' Association, which will ensure that companies are maintaining standard, quality, and providing required education to consumers.

For example, Kuala Lumpur Consumer Association, founded in March 2000 with the blessing of the Ministry of Domestic Trade & Consumer Affairs by group of professional in Malaysia to achieve a knowledge based consumers community and to be a dynamic and effective national body to represent the consumers and ascertaining that their needs as consumers of goods and services are given priority. They named this as a K-consumerism awareness.

- As consumers are not aware of their basic rights like to be informed, to be heard and to choose, it is indispensable to introduce vast and exclusive awareness steps to create a realization among consumers about their deserved rights.
- Different Government units related with food, agriculture, industry and environment should work with synergy for proper implementation of consumerism. (Nadel, 1971)
- Standardization and consolidation of processes and procedures. System must be as simplified as possible. (Olenic and. Zeltwanger, 2003)
- Using automotive and interactive technical system to reduce administrative cost and delay. (Middleton, 1998)
- Companies should introduce rigorous ethics training programs for all employees, often focusing on senior employees and others. Many firms, especially those operating on a global level, should use online training, which can be more accessible, interactive, and easily translated and updated. Then employees and staffs will be capable of providing enquiries and claims in sophisticated manner on time.
- Consumers must focus on "Media Literate" program. It is the idea that if you are "media literate," you have mastered process skills that enable you to effectively

deconstruct and construct media messages (Heckman, 1999). As CML's MediaLit Kit notes, these process skills are defined as the ability to access, analyze, evaluate and create media in a variety of forms. The implied outcome of having such skills is that a media literate person is equipped to make more informed choices, and is able to live consciously in a media-oriented society.

- Customers need to know that if they have a valid complaint about a faulty product or service and they cannot agree on a solution with the retailer, the only option may be to seek legal advice. (Borrie and Diamond, 1983)

## 8. Conclusions

Consumers in our country are deprived of their basic rights, as they are not aware of these. Overall policy framework of the country acts as hindrance to the promotion of an efficient and competitive market mechanism in Bangladesh. Government, consumers and all related parties should be aware of the possible chance of deprive and should know their right properly. Media's can make contribution for the effective implementation of protection framework. Companies often involved in different malpractices like appointing one sole distributor, in a region of the country, allowing it to dictate or manipulate prices in that region. So, they should follow ethical guidelines too for the wellbeing of the consumers. The reality from the research suggests us to establish an integrated protection framework to protect consumers' rights and responsibilities. We have recommended bringing all the concerned bodies under a common umbrella so that consumers may get systematic solution to their problems.

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## APPENDICES

### 1. An evaluation of consumers' rights

#### Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
the right to the satisfaction of basic needs	100	1	5	256	2.56	1.19
the right to safety	100	1	5	285	2.85	1.09
the right to be informed	100	1	5	274	2.74	.96
the right to choose	100	1	5	251	2.51	1.14
the right to be heard	100	1	5	235	2.35	1.10
the right to redress	100	1	5	268	2.68	1.08
the right to the education	100	1	5	247	2.47	.95
the right to the healthy environment	100	1	5	231	2.31	1.23
Valid N (listwise)	100					

### 2. An evaluation of consumers' responsibilities

#### Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
solidarity	100	1	5	247	2.47	1.22
critical awareness	100	1	5	284	2.84	1.00
action	100	1	5	258	2.58	1.16
social concern	100	1	5	248	2.48	1.17
environmental awareness	100	1	5	230	2.30	1.12
Valid N (listwise)	100					