Attitudes towards Marketing Practices, Consumerism and Government Regulations: An Exploratory Survey of Consumers in India

Sundar G Bharadwaj, P N Thirunarayana and P Rajan Varadarajan

The myriad facets of consumerism have been examined by several authors during the last two decades in the context of industrialized nations. However, there is a dearth of research on consumerism in reference to developing nations. Against this background, the study by Bharadwaj, Thirunarayana and Varadarajan assumes importance as it focuses on consumer attitudes towards marketing practices, consumerism and government regulations in a developing country — India. The results of the study indicate a high level of consumer skepticism with the operating philosophy of businesses, dissatisfaction with prevailing market practices, and support for the consumerism movement.

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Several national and cross-national studies at the macro as well as micro levels have focused on consumer attitudes towards marketing systems and subsystems with reference to industrialized nations. However, as pointed out by Kaynak (1985) and Thorelli (1981) among others, not much attention has been devoted to consumerism issues in industrializing countries, where consumerism is still in its infancy. Except for isolated studies such as Hilger and Dahringer's (1982) cross-cultural study of consumer alienation from the marketing system in the US and India, there seems to be a dearth of studies on consumer attitudes towards marketing systems in developing countries. Against this backdrop, this study focuses on the attitudes of consumers towards marketing practices, consumerism and government regulation in India.

An Overview of Relevant Literature

Kotler (1972) defined consumerism as "a social movement designed to augment the rights and powers of buyers in relation to sellers" (p 49). He noted that six major factors contribute to the rise of consumerism in any national setting — structural conduciveness, structural strains, growth of a generalized belief, precipitating factors, mobilization for action and social control. Various authors have addressed the issues of consumerism (Bloom and Greyser, 1981; Bloom and Smith, 1986; Greyser and Diamond, 1974; Greyser, 1977; Kaynak, 1985; Kotler, 1972; Thorelli, 1981), consumer satisfaction/dissatisfaction (Andreassen, 1977; Day, 1983; Westbrook, Newman and Taylor, 1978), and complaining behaviour (Day, 1981; Warland, Hermann and Moore, 1984, 1986) with varying degrees of generality and orientation. At the micro level, studies have explored consumer dissatisfaction with and complaints about specific products or services. At the macro level, national and cross-national studies have explored:

- Consumer attitudes towards marketing practices, consumerism and government regulations (Arndt,
Varieties of consumerist organizations actively involved in the consumer movement, their primary consumer-related concerns and strategies for goal accomplishment (Bloom and Greyser, 1981).

- Consumer alienation from the marketing system (Hilger and Dahringer, 1982; Landon and Lundstrom, 1973; Mehta and Keng, 1984; Pruden and Longman, 1972).

Exhibit 1 provides a summary of selected national and cross-national studies focusing on consumer attitudes towards marketing practices, consumerism and government regulations. For the most part, these studies report a high level of consumer discontent and widespread buyer dissatisfaction across product groups, consumer segments and nationalities. For instance, the cross-national study by Barksdale et al. (1982), investigating consumer attitudes in Australia, Canada, England, Israel, Norway, and the US revealed the prevalence of negative attitudes towards marketing in all the six countries.

While most studies reported to date are cross-sectional in nature, there have been some recent attempts to provide a longitudinal perspective of consumers' attitudes towards marketing systems. For instance, Gaski and Etzel (1985; 1986a) developed an instrument to measure consumer attitudes in respect of the four major elements of product marketing practices: quality, price, advertising and retailing or selling (the results of reliability analysis are presented in Gaski and Etzel, 1986a). They proposed that this aggregate index of consumer sentiment towards marketing practices should be reported at regular intervals to the marketing and consumer research communities. The authors employed this instrument and the findings of earlier studies to trace the historical pattern of consumer attitudes towards business in the US over the period 1971 to 1984 (Gaski and Etzel, 1986a, 1986b). The authors noted that there has been some improvement in consumer sentiment towards business in the US in recent years and speculated that this positive trend could be due to:

- improvements in business practices
- effective public relations effort of businesses
- changes in the environment that produce less hostility toward businesses
- consumers being less inclined to blame business for their problems.

**Consumerism in Developing Countries**

Consumerism-related issues in less developed and developing countries have been addressed in a number of studies (Kaynak, 1985; Peterson, 1986; Post, 1986; Thorelli, 1981). For instance, Post (1986) points out two types of consumer issues that arise in the marketing of goods and services by firms from industrialized nations in Third World countries — the appropriateness of the products sold and the methods by which they are promoted. He notes that these issues are commanding the attention of international organizations, grassroots consumer groups, and national governments throughout the developing world. According to him, the consumer movement is gaining strength in the developing world as a result of the efforts of the International Organizations of Consumers' Union and grassroots consumer groups. Further, he notes that these institutional changes signal an increasingly vigorous international consumer movement and presage an ever closer scrutiny of the impact of developed world products and practices in Third World markets.

Hilger and Dahringer (1982) examined the relationship between consumer alienation (a lower set of expectations concerning the exchange process) and market system development in the US and Indian contexts. The responses of the US sample supported the thesis that the structure of the marketplace and its underlying socio-economic framework are better predictors of alienation and dissatisfaction with the product. Although, in the aggregate, consumer alienation was found to be positively correlated to the socio-economic status of the respondent, the most alienated US consumers tended to be those with relatively low socio-economic status, while the most alienated Indian consumers tended to be those with comparatively high incomes. Further, while the US sample revealed a strong positive correlation between alienation and belief in government regulation, the Indian sample revealed general support and the need for government intervention without regard to the level of alienation. Consumer alienation was also found to be positively correlated to levels of sociological alienation and negatively correlated to product dissatisfaction.
The Consumerism Life Cycle

Kaufman and Channon (1973) and Straver (1977) distinguished between four stages in the life cycle of consumerism: crusading, popular movement, organization/managerial, and bureaucracy. This concept suggests that:

• Consumer opinions follow a life cycle pattern reflecting the stage of development of national consumer movements.

• Different countries of the world can be positioned in the cycle according to the quantity and quality of information supplied to consumers, the extent of protective legislation, the authority of government consumer agencies, and public funding of consumer education programs.

Based on a review of consumer protection policies and programs in six countries, Barksdale et al. (1982) positioned the six countries they studied along the life cycle curve. They expected that the patterns of response of consumers in each country (to statements about their attitudes towards marketing practices, consumerism and government regulation) would reflect the stage or position that the country occupies in the consumerism life cycle. The results of their survey, however, did not support this concept. The authors noted that consumers in all six countries shared similar opinions on a number of issues. Barker (1987) also reported that the consumerism life cycle concept was not supported by his comparative study of consumerism in New Zealand, England, Australia, US and Canada.

The Consumer Movement in India

A recent article on the consumer movement in India (Tefft, 1986) notes the following:

• many middle class and wealthy Indians view consumerism with indifference

• awakening India's consumers is not easy

• to date, consumer advocates have created only a few ripples.

However, on the positive side, Tefft notes that there are some heartening signs for consumerism in India such as:

• the sponsorship of a seminar by the Government of India to discuss a proposed model consumer protection law

• leading marketers speaking out in favour of the need for better consumer protection provisions

• the emergence of a fledgling consumer movement

• the growing incidence of charges being filed by consumer advocacy groups challenging certain questionable advertising and sales promotion campaigns of major companies.

The Consumers' Protection Act of 1986 is credited with raising the general level of awareness among consumers of their rights. Sengupta (1989) reports that many consumers are increasingly aware of their rights and have been seeking redressal of their grievances under the provisions of the Act. While some businesses are reported to have voiced apprehensions over misuse of the provisions of the Act (as well as brought specific instances of such misuse to the attention of the media), the state owned public utility services, the target of numerous consumer complaints, have contended that their services are not covered by the Act. Although the Act provides for resolution of complaints within 90 days, consumers are reported to be experiencing inordinate delays before their cases are decided. Despite the ongoing debate on the shortcomings of the Act and the problems of its implementation, Sengupta (1989) concludes on an optimistic note: "Even as the struggle to implement the Act is being waged, amendments are being sought in it to make it obligatory for shops to display notices alerting consumers of their right to complain about poor quality or exorbitant prices. If that happens, the winds of change visible in the state may take on greater strength and direction. The consumer may finally begin to receive all that he pays for."

The Study

Survey Instrument

Cryser (1977) notes that development of attitude questions relating to marketing practices, consumerism and government regulations that are straightforward and comprehensible to the majority of the general public is a difficult task. This problem is further compounded when the population to be surveyed is multilingual, as is the case in India. In the light of the above, employing an existing measurement instrument that has been extensively field tested was viewed as preferable to developing a new instrument. A slightly modified version of the questionnaire originally developed by Barksdale and Darden (1972) and used in several replication studies (Barksdale, Darden and Perreault, 1976; Barksdale and Perreault, 1980; Barksdale et al 1982; French, Barksdale and Perreault, 1982) consisting of 44 Likert type statements, was employed as the survey instrument. Respondents were asked to indicate their degree of agreement towards these statements on
a five-point rating scale in which the alternatives were "strongly agree," "agree," "uncertain," "disagree" and "strongly disagree." Despite the linguistic diversity of the population surveyed, in the light of the general English language proficiency of the urban consumers (the population of interest to this study), translation of the questionnaire into widely spoken Indian languages was not undertaken.

Sample
A two stage sampling procedure was employed to select 225 households for inclusion in the survey.* First, three residential areas, a low income, a middle income and high income division of the city in which the survey was conducted — Bangalore — were randomly selected. Second, systematic random samples of 75 households were selected from each one of the three residential areas. Resource constraints necessitated restricting the survey of households to a single city in India. It should, however, be noted that the population composition of Bangalore is quite diverse compared to many other urban cities. The location of a large number of public and private sector firms, educational institutions, state and central government offices, and defence establishments in Bangalore, its suburbs and exurbs have been instrumental in attracting people from various regions of the country to this city. In fact, of the ten largest metropolitan cities in India, Bangalore is used as a test market by manufacturers of branded consumer products more often than any other city in view of its ethnic diversity.

Of the 225 households enlisted to participate in the study, 211 households returned the completed questionnaires. In view of resource constraints, the multilingual nature of the rural population, and their general lack of fluency with the English language, no attempts were made to survey the rural population. Therefore, the findings of this study should be viewed as reflective of the attitudes of the urban population alone. More realistically, it might be appropriate to characterize the consumer movement in India as largely an urban phenomenon.

Results and Discussion
The results of the consumer responses to the 44 Likert type statements are summarized in Tables 1 to 8 which can be grouped into the following categories of attitudes towards:

- philosophy of business
- product quality
- advertising
- other marketing activities
- consumer responsibilities
- consumerism
- government regulation
- prices and price control.

Philosophy of Business. The general pattern of responses by consumers in India to questions in this category (Table 1) reveals a high level of consumer skepticism about the operating philosophy of businesses. About nine out of ten respondents viewed manufacturers as being more interested in making profits than in serving consumers, and six out of ten felt that manufacturers tend to disown their responsibility to the consumer if something goes wrong with their product. Less than 40 per cent believed that most manufacturers operate on the philosophy that the consumer is always right.

Although consumers seem to be highly skeptical about the intentions of business, they seem to believe in the efficiency of the free market system. Over 50 per cent of the respondents were in agreement with the statement that competition ensures that consumers pay fair prices for products.

Product Quality Consumer responses to questions about product quality are summarized in Table 2. On the positive side, close to 80 per cent of the respondents feel that manufacturers make an effort to design products to fit the needs of consumers. However, the survey reveals a high level of dissatisfaction with the progress made to date with regard to improving product quality. The concern shared by consumers in India regarding product quality, or the lack of it, is quite understandable. As Tefft (1986) notes,"... Indians have long been resigned to low quality goods (p 91)". Over 80 per cent of the consumers surveyed view improvements in product quality to be more important than style changes.

Advertising. As summarized in Table 3, a majority of the consumers surveyed view advertising with considerable skepticism. Fewer than 25 per cent expressed agreement with the statements that: (1) most product advertising is believable, (2) manufacturers' advertise-
Table 1: Attitudes towards Philosophy of Business

<table>
<thead>
<tr>
<th>Percentage Responses by Category</th>
<th>Sample Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>Uncertain</td>
</tr>
<tr>
<td>Most manufacturers operate on the philosophy that the consumer is always right</td>
<td>42</td>
</tr>
<tr>
<td>Competition ensures that consumers pay Fair prices for products</td>
<td>36</td>
</tr>
<tr>
<td>Manufacturers disown their responsibility to the consumer if something goes wrong with their product</td>
<td>25</td>
</tr>
<tr>
<td>Most manufacturers are more interested in making profits than in serving consumers</td>
<td>7</td>
</tr>
<tr>
<td>Most manufacturers operate on the philosophy &quot;let the buyer beware&quot;</td>
<td>23</td>
</tr>
</tbody>
</table>

Explanatory Notes for Tables 1 to 8
1. Cell entries represent the sum of percentage responses for the strongly disagree and disagree categories.
2. Cell entries represent the sum of percentage responses for the strongly agree and agree categories.
3. Means were computed by assigning the following values to the scale positions: 5-Strongly Disagree; 4-Disagree; 3-Uncertain; 2-Agree; 1-Strongly Agree.

Table 2: Attitudes towards Product Quality

<table>
<thead>
<tr>
<th>Percentage Responses by Category</th>
<th>Sample Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>Uncertain</td>
</tr>
<tr>
<td>In general, manufacturers make an effort to design products to fit the needs of consumers</td>
<td>11</td>
</tr>
<tr>
<td>Over the past several years, the quality of most products has not improved</td>
<td>30</td>
</tr>
<tr>
<td>From the consumers' point of view, style changes are not as important as improvements in product quality</td>
<td>11</td>
</tr>
<tr>
<td>Manufacturers do not intentionally design products which will wear out as quickly as possible</td>
<td>16</td>
</tr>
<tr>
<td>Manufacturers often withhold important product improvements from the market in order to protect their own interests</td>
<td>10</td>
</tr>
<tr>
<td>The wide variety of competing products makes intelligent buying decisions more difficult</td>
<td>36</td>
</tr>
<tr>
<td>For most types of products, the differences among competing brands are insignificant and unimportant to consumers</td>
<td>28</td>
</tr>
</tbody>
</table>
ments are reliable sources of information about the quality and performance of products, and (3) manufacturers’ advertisements usually present a true picture of the product advertised. The results of the survey of Indian consumers closely parallel those of consumers in other nations. Based on their cross-national survey, Barksdale et al. noted that regardless of nationality, most consumers (52-66 per cent) did not believe that advertised products were more dependable than unadvertised ones. Overall, the results lend additional empirical credence to the observation by Barksdale et al. that despite wide variations in the volume of advertising and differences in levels of government regulation of advertising from one country to another, negative views about advertising seem to be a universal phenomenon.

Table 3: Attitudes towards Advertising

<table>
<thead>
<tr>
<th>Percentage Responses by category</th>
<th>Sample Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td></td>
</tr>
<tr>
<td>Uncertain</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
</tr>
<tr>
<td>Most product advertising is believable</td>
<td>3.59</td>
</tr>
<tr>
<td>Manufacturers' advertisements are reliable sources of information about the quality and performance of products</td>
<td>3.43</td>
</tr>
<tr>
<td>Generally, advertised products are more dependable than unadvertised ones</td>
<td>3.23</td>
</tr>
<tr>
<td>Manufacturers' advertisements usually present a true picture of the products advertised</td>
<td>3.63</td>
</tr>
</tbody>
</table>

Table 4: Attitudes towards Other Marketing Activities

<table>
<thead>
<tr>
<th>Percentage Responses by Category</th>
<th>Sample Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td></td>
</tr>
<tr>
<td>Uncertain</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
</tr>
<tr>
<td>Generally speaking, the products required by the average family are easily available at convenient places</td>
<td>2.47</td>
</tr>
<tr>
<td>In general, the quality of repair and maintenance service provided by manufacturers and dealers is getting better</td>
<td>2.94</td>
</tr>
<tr>
<td>Generally, product guarantees are backed by the manufacturers who make them</td>
<td>2.51</td>
</tr>
<tr>
<td>The games and contests that manufacturers sponsor to encourage people to buy their products are dishonest</td>
<td>2.43</td>
</tr>
<tr>
<td>Overall, the (name of country) marketing system operates more efficiently than that of other countries</td>
<td>3.29</td>
</tr>
<tr>
<td>Table 5: Attitudes towards Consumer Responsibilities</td>
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<td>--------------------------------------------------</td>
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<table>
<thead>
<tr>
<th>Percentage Responses by Category</th>
<th>Sample Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>Uncertain</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td>The problems of consumers are less serious now than in the past</td>
<td>51</td>
</tr>
<tr>
<td>The information needed to become a well informed consumer is readily available to most people</td>
<td>65</td>
</tr>
<tr>
<td>The average consumer is willing to pay higher prices for products that will cause less environmental pollution</td>
<td>21</td>
</tr>
<tr>
<td>The problems of the consumer are relatively unimportant when compared with the other questions and issues faced by the average family</td>
<td>39</td>
</tr>
<tr>
<td>Many mistakes that consumers make in buying products are the result of their own carelessness or ignorance</td>
<td>28</td>
</tr>
<tr>
<td>For most types of products consumers do not find it worthwhile to shop around to find the best buys</td>
<td>23</td>
</tr>
<tr>
<td>Concern for the environment does not influence the product choices made by most consumers</td>
<td>20</td>
</tr>
</tbody>
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<table>
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<th>Table 6: Attitudes towards Consumerism</th>
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<table>
<thead>
<tr>
<th>Percentage Responses by Category</th>
<th>Sample Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>Uncertain</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Manufacturers seem to be more sensitive to consumer complaints now than they were in the past</td>
<td>28</td>
</tr>
<tr>
<td>When consumers have problems with products they have purchased, it is usually easy to get them corrected</td>
<td>58</td>
</tr>
<tr>
<td>Most business firms make a sincere effort to address consumer complaints fairly</td>
<td>40</td>
</tr>
<tr>
<td>From the consumers' viewpoint, the procedures followed by most manufacturers in handling complaints and settling grievances of consumers are not satisfactory</td>
<td>6</td>
</tr>
<tr>
<td>Organized consumer movements have not been an important factor in changing business practices and procedures</td>
<td>19</td>
</tr>
<tr>
<td>The exploitation of consumers by business firms deserves more attention than it receives</td>
<td>6</td>
</tr>
</tbody>
</table>

*Vol.16, No.1, January-March 1991*
cent of the consumers agreed that the information needed to become a well informed consumer is readily available to most people; and 58 per cent expressed their agreement with the statement that many of the mistakes that consumers make in buying products are the result of their own carelessness or ignorance. Some amount of contradiction is evident in the responses of consumers to statements relating to concern for the environment. While 62 per cent indicated their agreement with the statement that the average consumer is willing to pay higher prices for products that will cause less environmental pollution, 46 per cent indicated their agreement with the statement that concern for the environment docs not influence the product choices made by consumers.

Consumerism. The consumer movement has evolved into a major force in many developed countries. Understandably, organizations in these countries are under constant pressure to demonstrate greater responsibility in serving the needs of society. However, only recently has the consumer movement begun to evolve as a force in the Indian market. This is quite evident from previous writings on this subject (Khanna, 1985; Krishnamoorthy, 1986; Sengupta, 1989; Tefl, 1986) as well as the consumers’ responses to statements on consumerism. Table 6 reveals that 57 per cent of the respondents believed that organized consumer movements have not been an important factor in changing business practices and procedures. As Post (1986) aptly points out, among the factors crucial to an effective consumer movement is an organization of people, institutions, and key actors capable of focusing their energies and collective power towards a single objective.

Consumer responses to the other statements on this subject are also indicative of the fledgling status of the consumer movement in India. Over 80 per cent of the consumers feel that the exploitation of consumers by business firms deserves more attention than it receives, and the procedures followed by most manufacturers in handling complaints and settling grievances of consumers are not satisfactory. Only 21 per cent of the respondents feel that when consumers have problems with the products they have purchased, it is usually easy to get them corrected. Fewer than 30 per cent expressed agreement with the statement that most business firms are responsive to consumer complaints.

Government Regulation. Although a majority of consumers (59 per cent) believed that self regulation by business is preferable to stricter control by government, presumably hurt by the lack of such self regulation, a very large per cent of respondents appeared to be in favour of greater government regulation of business. This is evident from the results reported in Table 7.

Prices and Price Control. As is true of many industrializing countries, the problem of rising prices is a fact of life in India. In his assessment of the achievements and shortcomings of economic planning in India, Bhargava (1982) points out that the wholesale price index has continued to rise rapidly from 1956-1957. Alluding to the severity of the problem, he notes that:

"Rapidly rising prices have created a social, economic and political atmosphere which is hardly conducive to rapid economic development of the country... The problem is so acute that it needs to be tackled on a war footing (pp 92-93)."

Against this background, it is hardly surprising that 97 per cent of the consumers agreed with the statement that the most important problem facing consumers today is the high prices of goods, and only 16 per cent agreed with the statement that most consumer products are priced fairly and are commensurate with the prevailing wage rates and income levels. Over 85 per cent of the respondents view marketing intermediaries as the primary cause of high prices. Over 70 per cent believe that refusal of consumers to buy expensive products and government price controls are an effective means of holding prices of consumer goods at reasonable levels (Table 8).

Managerial and Public Policy Implications

Consumer responses regarding a number of aspects of the Indian marketing system are noteworthy for their managerial implications. The findings of the survey are indicative of:

- a high level of skepticism regarding the operating philosophy of business
- a negative view of most advertising
- a high level of dissatisfaction with the procedures followed by manufacturers for handling complaints and settling grievances
- a widespread feeling that the information needed to become a well informed consumer is not readily available to most people.

The survey results also show that a majority of respondents are agreed upon the need for:

- devoting greater attention to issues of exploitation of consumers by businesses
Table 7: Attitudes towards Government Regulation

| The government should test competing brands of products and make results of these tests available to consumers | 3 | 3 | 94 | 1.52 |
| The government should set minimum standards of quality of all products sold to consumers | 5 | 2 | 93 | 1.66 |
| The government should exercise more responsibility for regulating the advertising, sales, and marketing activities of manufacturers | 11 | 7 | 82 | 1.99 |
| A Central Department of Consumer Protection at the national level is needed to protect and promote the interests of consumers | 4 | 14 | 82 | 1.84 |
| In general, self regulation by business itself is preferable to stricter control of business by the government | 13 | 28 | 59 | 2.39 |

Table 8: Attitudes towards Prices and Price Control

| The most important problem facing consumers today is the high prices of consumer goods | 2 | 1 | 97 | 1.37 |
| High prices of consumer goods are caused primarily by wholesalers and retailers taking excessive profits | 6 | 8 | 86 | 1.86 |
| Considering wage rates and income levels today, most consumer products are priced fairly | 72 | 12 | 16 | 3.79 |
| Refusal of consumers to buy expensive products is the most effective way of keeping prices at reasonable levels | 15 | 12 | 73 | 2.17 |
| Government price control is the most effective way of keeping the prices of consumer products at reasonable levels | 15 | 14 | 71 | 2.25 |

- the government to test competing brands of products and make the results of such tests available to consumers
- the government to set minimum standards for all products sold to consumers
- establishing of a department of consumer protection at the national level to protect and promote the interests of consumers.

These findings are particularly noteworthy for their public policy implications. It should, however, be noted that mass discontent and public support for social change may not in themselves be sufficient to stimulate an active social movement. As pointed out by Bloom and Greysen (1981), to maintain vitality, social movements must be led by well managed organizations that can mobilize resources and support (p 133).

The findings pertaining to consumers' attitudes towards advertising reported in this study as well as studies conducted in other countries highlight the need
for an increased level of resource commitment regarding two action programmes voluntarily undertaken by associations representing advertisers and advertising agencies in a number of countries: (1) the continuing need for educating consumers on the role of advertising in the free enterprise systems; and (2) even stricter self-regulation to minimize the incidence of questionable advertising practices.

Khanna (1985), however, characterizes such voluntary self discipline by businesses as impracticable. With specific reference to the Indian marketing system, he contends that self discipline can be induced among businesses only by creating conditions wherein consumer interest emerges as a countervailing force. In his assessment, self regulation is not a viable proposition since there is very little motivation for business to do so. He castigates businesses in India as driven by single minded devotion to corporate sales and profits with no concern for consumer interests, and characterizes calls by industry for self discipline as mere ploys to delay or drop legislation against them. The preferable alternative according to Khanna is to employ a three-pronged approach to establish consumer interest as a countervailing force in the environment of business firms:

- Institutionalization of consumer interests (through organizing consumer interest groups around issues of concern such as adulteration), establishing government agencies to protect consumers' interest, establishing consumer affairs departments at the firm and industry level, and providing for representation of consumer interest groups in the consumer affairs division of public utilities.
- Legislation of consumer interests through laws that regulate trade practices, provide product information, and determine product liability.
- Communication of consumer interest through formal education system using the press and mass media.

Conclusion

On the whole, the study findings highlight the need for public policy makers and business organizations to be aware of and to be sensitive and/or responsive to consumers' attitudes towards the marketing practices of firms and consumerism related issues. However, certain general observations made by researchers who have explored such issues should be borne in mind. Regarding the managerial and public policy implications of the findings of this study as well as other studies in this genre. As pointed out by Grcyser (1977) among others, majority agreement with an attitudinal statement does not make the statement true. On a related note, French, Barksdale and Perrcault (1982) point out that consumer discontent is unlikely to disappear entirely in any country, and criticism of businesses' marketing activities, whether justified or not, will always be present.

While the study provides new empirical insights into consumers' attitudes towards the national marketing system in India, it should realistically be viewed as exploratory due to the limitations and constraints already noted. Any similar future research study would entail questionnaire development in multiple languages as well as the use of appropriate procedures to insure the equivalence of questionnaire items across languages.

Marketing is the exposed arm of business and advertising is the most exposed arm of the marketing function. Scrutiny of the marketing practices of firms in general, and advertising practices in particular, by governmental bodies, the media, public interest groups, and others is inevitable as well as desirable from the standpoint of larger societal welfare. In order to complement such assessments by external groups, it might be desirable for individual firms as well as collectives of firms (e.g., trade associations, chambers of commerce) to undertake periodic surveys of consumers' attitudes towards marketing practices. Such studies can provide firms a longitudinal perspective of consumers' sentiments towards business and business practices. As pointed out by Kotier (1972), consumerism is inevitable, enduring, pro-marketing and beneficial.
Exhibit 1: Marketing and Consumerism — An Overview of Prior Research Findings

1. Barksdale and Darden (1972)
A cross-sectional study of a national sample of consumers in the US focusing on consumers’ attitudes towards the policies and practices of business.

Most consumers valued the free enterprise system highly.
Consumers showed a high level of apprehension about certain policies of business and discontent over specific marketing practices.
Presence of imperfections in the marketing system was believed to be caused by the ineptness, carelessness, and apathy of consumers.
Consumers also believed that their problems needed more attention and expressed the need for greater government regulation.
In general, consumers were found to be skeptical about the commitment of business to the marketing concept.

As regards product quality, consumers believed that manufacturers make an effort to design products to fit their needs, but confidence in product quality appeared to be eroding.
Consumers' perceptions of advertising continued to be negative.
Perceptions of the importance of consumer problems and the responsibilities of consumers (in the operation of the marketing system) did not change drastically.
Public faith in consumerism appeared to be rising.
Though rising prices continued to be an important problem, governmental regulation was not viewed favourably.

Overall, the findings indicated that consumer discontent did not change substantially between 1971-1979.

2. Barksdale, Darden and Perreault (1976)
A longitudinal study (based on three surveys conducted in 1971, 1973 and 1975) examining the trends in the attitudes of US consumers towards the policies and practices of business.

3. Arndt, Crane and Tallhaug (1977)
A cross-sectional study exploring the opinions of present and potential business executives in Norway concerning marketing practices and corporate responsibility.

Executives surveyed did not reveal any pronounced pro-business stance in the area of consumerism.
Though executives were more pro-business on statements of ideological nature, they were at the same time critical of marketing practices when their own experiences as consumers were unhappy.
Norwegian business executives were not too far out of step with executives from other developed countries on consumerism.

A longitudinal study covering the period 1971-1979. Based on five national surveys of US consumers conducted at two year intervals. A follow-up to the study by Barksdale, Darden and Perreault (1976).

Overall, consumers were found to be skeptical about operating philosophy of business and interest in product quality in 1979 as they were nine years earlier.

Consumers continued to be unimpressed with the truthfulness of advertising or the dependability of advertised — relative to unadvertised — products.
On a positive note, there was a declining sentiment about manufacturers' promotional games and contests being dishonest.

There was little change in attitudes about consumer responsibilities over the period examined. Consumers recognized that many problems resided within themselves.
Though most consumers felt that consumerism had had an impact, attitudes towards business had changed very little over the ten-year period.
The experience of consumers revealed a declining faith in the notion that governmental regulation was the solution to the problems faced by them in the market place.
Overall, there were no drastic shifts in consumer attitudes; consumer discontent continued to be substantially the same at the end as at the beginning of the decade.

A cross-sectional study examining consumerism and related regulation during a highly uncertain economic period in Britain—a period characterized by high unemployment, presence of EEC trade regulations and a government reluctant to support industry.


A cross-national comparative study of consumers' perceptions of marketing and the operation of marketing systems in six different countries.


A cross-sectional study of the attitudes and perceptions of New Zealanders towards consumerism-related issues.

The mood of the consumers towards the existing marketing practices concerning product quality, truth in advertising and fairness in prices was found to be one of dissatisfaction. A mood strong enough for consumers to advocate not only price controls, but also promotion and product quality controls as well.

Study cautioned businesses that those who ignored public criticism of their practices might be courting trouble.

The consumerism life cycle concept (i.e., the opinions expressed by consumers in various countries would reflect the stage of development of the consumer movement in that country) was not supported.

Consumers in all six countries surveyed were found to share similar views regarding high prices, inflation, concern about product quality, negative attitudes towards advertising and a governmental responsibility to safeguard the rights of consumers.

Consumers in Australia, Canada, England and the US tended to hold similar views about the operating philosophy of business. Respondents in Israel had more negative views, while those in Norway had the most positive views.

In regard to product quality, the attitudes of Israelis and Norwegians were somewhat at odds with those of the four other national groups.

Consumers in all six nations had consistently negative opinions about the most positive attitudes and Israelis had the most negative.

Regarding consumer responsibilities, Norwegians and Israelis appeared to have the most positive view.

More than half the respondents in Australia, Canada, Israel, and Norway thought that manufacturers were more sensitive to consumerism issues now than in the past, compared to only 43 per cent of BHHsh and 44 per cent of US consumers.

Attitudes towards government regulation were mixed. They appeared to be based on political ideology, with the US consumers being the least enthusiastic about it.

Attitudes towards prices and price control were fairly similar across the six nations, but most negative in Israel.

New Zealanders seemed to share many opinions about consumerism independent of their demographic and socio-economic backgrounds.

Product quality, deceptive advertising, and high prices were the main areas of concern for most.

The positioning of New Zealand in the crusading stage of the consumerism life cycle was not empirically supported.
References


