

**AN ANALYSIS OF EFFECTIVENESS OF DISTRICT  
CONSUMER FORUMS IN UTTAR PRADESH:  
AN EMPIRICAL ANALYSIS**

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**Abstract:**

*This study is designed to be an exploratory research based on empirical analysis. To assess the effectiveness of Consumer Dispute redressal Agencies working in Uttar Pradesh, 16 most concerned factors were selected. This study revealed that different categories of respondents had different point of views regarding the effectiveness of Consumer Forums. Aggrieved Consumers showed agreement less than indifferent point of scale, while Concerned Lawyers and officers are moderately satisfied with the existing effectiveness; on the other hand Members of Consumer Forum expressed agreement to great extent with the effectiveness of Consumer Forums. Each group of respondents had different point of views, but composite average of the all the respondents found in range of 2.61 to 3.4 and this range has been assumed to be moderately effective. Analysis of Variance, (ANOVA) test has been used at .05% level of significance to assess the significant difference amongst views of different groups of respondents regarding the effectiveness of Consumer Forums. For analyzing the difference between actual and expected effectiveness, t-test has been taken into consideration at .05% level of significance. At the end, study reveals that Dispute redressal agencies are not as effective as these are supposed to be and need to be improved for providing speedy, less expensive and convenient redressal to the Aggrieved Consumers.*

***Keywords: Effectiveness, Dispute Redressal Procedure, Factors of effectiveness, ANOVA and t-test.***

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## Introduction

Most of manufacturers and traders have been adopting unfair trade practices for the purpose of promoting sale and to get the upper hand in the market. Misleading advertisement, such as, an insurance policy can provide “**complete peace of mind**”, are growing on daily basis. Consequently, Consumer Forums established in India, by Indian Government under Consumer Protection Act in 1986 with the view to provide better protection of the interests of the consumers and save them from the evils of unfair trade practices and restrictive trade practices. Six basic rights were given to consumers, under this Act to get themselves redressed by the Consumer Forum.

The Forum is a place where both (Complainant and Opposite party) can come together at the nearby Consumer Forum for reconciling their own difference regarding the service in question or goods in the presence of well engrossed and dignified judges. For the purpose of the speedy, simple and inexpensive settlement of consumers’ disputes, a quasi- judicial machinery has been set up at the district, state and central level to defend the legitimate rights of consumers provided under the consumer protection Act. If any person having grievances against any services providing company or trader, can file a written complain in the District Forum for the value up to rupees twenty lakhs, State Commission for the value up to Rupees one core and National Commission for the value above Rupees one core, in respects deficiency in services and defects in goods. This study is all about District Consumer Forums, which have been set up in Uttar Pradesh. At present, there are 70 Consumer Forums in Uttar Pradesh, but this survey was conducted in the selected districts of Uttar Pradesh.

## Review of Literature

Gurjeet Singh (1993)<sup>1</sup>, it was found by the researcher that corporate world has increased the amount of self-regulation to redressa problems of Consumers. Dispute redressal agencies under CPA have propelled corporate sector to become more socially accountable than ever before. Mahesh Bhat (1996)<sup>2</sup>, this study was conducted to assess the opinions of Doctors on various implication of COPRA and its effectiveness in private health care. A questionnaire was sent to 495 private doctors practicing in Ahmedabad, Gujrat. Only 108, (21.81%) of them responded to the questionnaire, so, response rate was very low. About 65% of respondents think that COPRA is effective from moderate to high in protecting the interests. About 16% think that COPRA will

be counter-productive to patients. Bagla Committee (2000)<sup>3</sup>: The bagla committee, set by the union Government recommended two clerks for every 250 pending files so as to decrease the burden of pending cases, which are increasing day by day and in addition to this, infrastructure need to be upgraded as soon as possible to provide speedy and less expensive redressal to aggrieved consumers. Asha Nagendra (2002)<sup>4</sup>, she conducted survey in Agra to examine the working system of Consumer Forum and to study the impact of incorporation of District Consumer Forum on sellers as well on buyers. Majority of Complainants i.e. (77%) asked for actual expenses, interests and compensation, but nothing was provided to them. Majority of respondents i.e. 51.96% expressed normal satisfaction with procedure of filling a case followed by smooth procedure and only 9.22% expressed dissatisfaction with adopted procedure of filling a case. Rosy Kumar, Advocate (2003)<sup>5</sup> he concluded that Consumer Courts, set up to lighten the load of the judiciary, are themselves saddled with more than 13,000 pending cases in Delhi alone. He also found some reasons of pending cases such as, inadequate infrastructure, shortage of staff, delay in appointment of presidents and members. Sawarkar (2003)<sup>6</sup>, A survey conducted by Sawarkar, in Marathwada, on a sample of 750 consumers, during the years 1994 and 1995, revealed that a majority of the respondents (51.33 per cent) were totally ignorant of the CPA measures, 49.12 per cent of the respondents were unaware of the Consumer Forum set-up under the act 54.38 per cent of the respondents did not know how to file a complaints. Dr. A. K. Chandra (2008)<sup>7</sup>, He selected Raipur District for the proposed study. The sample consists of 400 consumers of Raipur District hailing from urban (200) semi-urban (100) and rural (100). The chief objectives of this study was to analyze the working of Consumer Forum, highlights the problems of Consumer Forum and to find out the applicability of act and it effectiveness. He found that Consumers were very less aware about Consumer Forum and there was significant difference amongst the views of different groups of respondents regarding the working of Consumer Forum. K. Singh and S. Shetty (2010)<sup>8</sup>, it was revealed that awareness of provisions of CPA is higher in medical professions in comparisons to dental professionals. Likewise, postgraduate showed more awareness in both the professions and awareness among private practitioner found significantly higher than academic sector. It was concluded by saying that considering present business environment, better knowledge of CPA is necessary for both professionals to be on safer side. R. Gopinath and R. Kalpna (2011)<sup>9</sup>, for comparing the awareness of provisions of consumer protection act among dental and medical professionals in

Tiruchirappalli city, Tamil Nadu, India, a cross sectional study was conducted. It was revealed that awareness among medical professionals were greater than dental professionals. Likewise, postgraduates showed more awareness in both the professions and it was found that private practitioners have more awareness than the academic sector.

### **Objectives**

Ultimate objective of this study is to analyze the effectiveness of Consumer Forum and that is why it has been undertaken -

- 1) To assess the perceptions of different respondents separately regarding the effectiveness of Consumer Forums.
- 2) To analyze the effectiveness of dispute redressal procedure of Consumer Forum in present business environment.

### **Research Methodology**

The present study is designed to be an exploratory research. It is thoroughly based on empirical analysis. For analyzing the effectiveness of Dispute Redressal Procedure of the Consumer Forums in Uttar Pradesh, 16 most concerned factors of effectiveness were selected for the this study, the selected factors are as follows; Speedy Trial, Less Expensive, Hassle Free Dispute Redressal, Compensatory in Nature, Easily Accessible to All, Fully Transparent Procedure, Systematic Mechanism of Dealing with the Complaints, Technically Very Efficient Processing of Complaints, Strong Rejection of Frivolous and Vexatious Complaints, Regularity in Functioning, Consistency in Proceedings, Consensus Judgments, Accuracy in the Judgments, Impartiality in Judgments, Strong Execution of Final Order, Relevant Considering Present and Business Environment.

This survey was conducted in selected Districts of Uttar Pradesh, selected Districts are as follows; Agra, Meerut, Etahwah, Aligarh, Mainpuri, Kanpur, Lucknow and Allhahbad. A questionnaire was developed on the effectiveness for collecting the data from different categories of respondents. Stratified random sampling technique was used to collect the sample. Respondents were divided in four groups such as, Aggrieved Consumers, Concerned Lawyers, Concerned Officers of Insurance and Banking Companies and Members of Consumer Forums including other employees. The questionnaire, developed on five point lickert-type scale, which

contains 16 statements and respondents were asked to what extent they agree or disagree or remained undecided with the statements regarding the effectiveness of Dispute Redressal Procedure of Consumer Forum and weight was assigned to contents of effectiveness according to their respective importance.

The sample size was 300, but only 248 questionnaires (including interviews schedule- 23) were collected, out of them, 32 questionnaires were rejected due to incompleteness. So, finally 100 Aggrieved Consumers, 72 Concerned Officers, 25 Concerned Lawyers and 19 Members of Consumer Forums including Peshkar and Steno. Duration of the study is 7 years from 2006 to 2012.

### **Statistical Analysis**

To meet the objectives of the study, collected questionnaires have been analyzed and interpreted by using Weighted Average method and Analysis of Variance (ANOVA) has been used for testing first hypothesis at 0.05% level of significance. To test the second hypothesis, t-test has been applied at .05% level of significance to find out whether the difference was significant or not between expected and actual effectiveness of Consumer Forum. Ideally, the Consumer Forums can be said effective if actual effectiveness exceeds expected effectiveness.

### **Hypotheses**

$H_{01}$ : Views of all the groups of respondents regarding effectiveness of dispute redressal procedure of Consumer Forum are uniform.

$H_{02}$ : There is no significant difference between actual and expected effectiveness of Consumer Forum.

### **Analysis of data**

This section enumerates the respondent's opinion about the effectiveness of selected Consumer Forums and weight has been assigned to the contents of effectiveness from 1 to 5 according to their respective importance. Moreover, each mean score was converted into percentage score through following computation;

*Mean Score – Lowest Point of the Score Range*

$X \square \text{ Score (\%)} \quad \frac{\text{—————}}{\text{—————}} \times 100$

**Highest – Lowest value of the Score Range**

Since a five-point scale has been used, the interval for breaking the range in measuring each variable is calculated as:

- The opinion score upto 20% of five point scale has been considered as ‘*Ineffective*’.
- The opinion score from 21% to 40% has been considered as ‘*Less effective*’.
- The opinion score from 41% to 60% has been considered as ‘*Moderately Effective*’.
- The opinion score from 60% to 80% has been considered as ‘*Sufficiently Effective*’.
- The opinion score above 80% has been assumed to be ‘*Highly Effective*’.

**Table-1**

**Weighted Scores of Responses**

<u>Factors</u>	<u>Categories of Respondents</u>				
	<u>Score Range</u>	<u>Consumers</u>	<u>Lawyers</u>	<u>Officers</u>	<u>MCF</u>
F1	1-5	2.16	2.88	3.65	3.89
F2	1-5	2.92	3.60	3.44	4.26
F3	1-5	3.16	2.92	3.50	4.10
F4	1-5	3.12	3.24	3.33	3.78
F5	1-5	3.68	4.28	4.04	4.68
F6	1-5	2.88	3.20	3.31	3.79
F7	1-5	2.84	3.20	3.26	3.95
F8	1-5	2.64	3.32	3.18	3.52
F9	1-5	3.40	2.96	2.92	4.58
F10	1-5	2.96	3.36	3.51	3.63
F11	1-5	2.28	3.32	3.11	3.37
F12	1-5	3.05	2.92	3.19	3.84
F13	1-5	2.80	3.52	3.38	4.74
F14	1-5	2.88	3.28	2.88	4.42
F15	1-5	3.00	3.44	4.02	3.58
F16	1-5	2.48	3.12	2.91	4.10
<i>Average</i>	1-5	2.89	3.28	3.35	4.01

**Source: Survey, A.C- Aggrieved Consumers, C.L- Concerned Lawyers, C.O- Concerned Officers and MCF- Members of Consumer Forum.**

**(1)Hypothesis Testing**

For analyzing the significant difference amongst the views of selected categories of respondents ANOVA test has been brought into use.

**$H_0$ : Views of all the groups of respondents regarding effectiveness of dispute redressal procedure of Consumer Forum are uniform.**

**Table -2, Results of ANOVA Test**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>F-crit.</i>
Between the treatments	<b>10.42</b>	<b>3</b>	<b>3.47</b>	<b>24.69</b>	<b>2.76</b>
Within the treatments	<b>8.43</b>	<b>60</b>	<b>0.1405</b>		
Total	<b>18.85</b>	<b>63</b>			

*Source- computed table, level of significance-5%*

In the table 2, the value of the calculated *F*- ratio is 24.69. The value of *F*- ratio from the statistical table for a significance level of 0.05 degrees of freedom (3, 60) is 2.76. Hence, the null hypothesis ( $H_0$ ) has been rejected; because calculated value of *F* (24.69) is greater than table value of *F* (2.76).

**INFERENCES**-This means that there is huge difference amongst the perceptions of four categories of respondents regarding the effectiveness of Consumer Forums and that is why final inferences, regarding the effectiveness of Consumer Forum, have been drawn on the basis of combined scores of all the selected respondents.

**Table – 3, Combined Analysis**

In sum, selected respondents have rated Consumer Forum as being substantially effective on five factors of effectiveness and for rest of the factors; Dispute Redressal Agency has been rated as being moderately effective. Numerically, overall agreements of four categories of respondents are follows: 2.89 (47.25%) of Aggrieved Consumers, 3.28 (57%) of Concerned Lawyers, 3.35

Factors	Weighted Scores	Percentage Values	Criteria for Awarding Contents	Awarded Contents
<i>Speedy Trial (Time Bound)</i>	3.14	53.50%	41% to 60%	MODERATE
<i>Less Expensive (Only Nominal Fee)</i>	3.55	63.75%	61% to 80%	SUFF. EFFECTIVE
<i>Hassle Free Dispute Redressal</i>	3.39	59.75%	41% to 60%	MODERATE
<i>Compensatory in Nature</i>	3.36	59.00%	41% to 60%	MODERATE
<i>Easily Accessible to All</i>	4.17	79.25%	61% to 80%	SUFF. EFFECTIVE
<i>Fully Transparent Procedure</i>	3.29	57.25%	41% to 60%	MODERATE
<i>Systematic Mechanism of Dealing with the Complaints.</i>	3.31	57.75%	41% to 60%	MODERATE
<i>Technically Very Efficient Processing of Complaints</i>	3.16	54.00%	41% to 60%	MODERATE
<i>Strong Rejection of Frivolous and Vexatious Complaints</i>	3.46	61.50%	61% to 80%	SUFF. EFFECTIVE
<i>Regularity in Functioning</i>	3.36	59.00%	41% to 60%	MODERATE
<i>Consistency in Proceedings</i>	3.02	50.50%	41% to 60%	MODERATE
<i>Consensus Judgments</i>	3.25	56.25%	41% to 60%	MODERATE
<i>Accuracy in the Judgments</i>	3.61	65.25%	61% to 80%	SUFF. EFFECTIVE
<i>Impartiality in Judgments</i>	3.36	59.00%	41% to 60%	MODERATE
<i>Strong Execution of Final Order</i>	3.51	62.75%	61% to 80%	SUFF. EFFECTIVE
<i>Relevant Considering Present Business Environment<sup>1</sup></i>	3.15	53.75%	41% to 60%	MODERATE
<b>Average of Averages</b>	<b>3.39</b>	<b>59.75%</b>	<b>41% to 60%</b>	<b>MODERATE</b>

(58.75%) of Concerned Officers and 4.01 (75.25%) of Members of Consumer Forum. Comparatively speaking, average agreement of Lawyers with factors of effectiveness is greater than Consumers, while difference between Lawyers and Officers seems to be insignificant, but agreement of MCF is greater than any other category of respondent. So, there is difference amongst the views of selected categories of respondents. Composite score of all the categories of



respondents has been calculated upto 3.39 (59.75%), and this score falls in the range from 41% to 61% and this range, as already mentioned, has been assumed to be moderately effective. Hence, it can be inferred that District Consumer Court in Uttar Pradesh is moderately effective and this level of effectiveness need be improved to provide speedy, inexpensive and hassle-free redressal.

### **(2)Hypothesis Testing**

For five factors, Consumer Forum was rated as being sufficiently effective and for rest of factors, it was considered as being moderately effective. To make it clear, whether the Consumer Court is moderately effective or more than moderately effective, one more assumption was made and tested by the researcher. The assumption is follows;

*H<sub>2</sub>: There is no significant difference between expected and actual effectiveness of Consumer Forum.*

Table – 4, Results of One-Sample t-test

From above testing, it is proved that hypothesis has been accepted for all the factors except one factor since sig. (2-tailed) was greater than p-value, but sig. (2-tailed) was lesser than p-value in case fifth factors i.e. easily accessible to all. Furthermore, collective hypothesis has also been accepted since significance level was greater than p-value. Hence, it is inferred that Consumer Forum is a moderately effective Dispute Redressal Agency.

Test Value = 3							
Factors	N	Mean	Std. Deviation	Std. Error of Mean	Sig. (2-tailed)	P-Value*	Null Hypothesis
F1	216	3.1450	.78539	.39239	.736	>.05	Accepted
F2	216	3.5550	.81197	.40599	.265	>.05	Accepted
F3	216	3.4200	.51199	.25599	.199	>.05	Accepted
F4	216	3.3675	.28814	.14407	.084	>.05	Accepted
F5	216	4.1700	.42000	.21000	.011	<.05	Rejected
F6	216	3.2950	.37705	.18852	.216	>.05	Accepted
F7	216	3.3125	.46371	.23185	.270	>.05	Accepted
F8	216	3.1650	.37678	.18839	.446	>.05	Accepted
F9	216	3.4650	.77449	.38724	.316	>.05	Accepted
F10	216	3.3650	.29172	.14586	.088	>.05	Accepted
F11	216	3.1500	.25910	.12955	.331	>.05	Accepted
F12	216	3.2500	.40849	.20425	.308	>.05	Accepted
F13	216	3.6100	.81527	.40764	.231	>.05	Accepted
F14	216	3.3650	.72817	.36409	.390	>.05	Accepted
F15	216	3.5100	.42032	.21016	.094	>.05	Accepted
F16	216	3.1525	.68554	.34277	.687	>.05	Accepted
Collective	216	3.3825	.46471	.23236	.198	>.05	Accepted

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### Findings

1. Collective agreement of Aggrieved Consumers with the factors of effectiveness has been calculated upto 2.89 (47.25%), even below the mid-point of the scale, but falls in the range of moderate agreement.
2. Collective agreement of concerned Lawyers has been calculated upto 3.28 (57%), greater than Consumers, but this score also falls in the range of moderate agreement.
3. Collective mean score of selected officers is calculated upto 3.35 (58.75%), around mid-point of the scale, but more than Lawyers, even though; this score also falls in the range of 41% to 60% which is assumed to be moderately effective.
4. Members of Consumer Forum have shown greater satisfaction with existing efficiency and effectiveness of Consumer Courts since collective mean score of their responses was reached upto 4.01 (75.25%), greater than any other groups of respondents, and this score falls in the range of substantially effective.
5. Composite agreement all the groups of respondents was calculated up to 3.39 (59.75%) and this score fell in the range of 41% to 60% which was considered to be moderately effective.
6. It is found by the analysis that there was difference in the views of different categories of respondents regarding the effectiveness of Consumer Forums.
7. It has also been inferred that difference between expected and actual effectiveness is insignificant.
8. At the end, it is found by the researcher that effectiveness of the Consumer Forums is moderate, that is why this Forum is not as effective as it is supposed to be and need to be strengthened for providing speedy and less expensive justice.

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[WWW.Consumerforum.com](http://WWW.Consumerforum.com)

Questionnaire

Dear respondent,

I Yashpal Singh, carrying a research work titled, *“Effectiveness of Consumer Forum and its Impact on Corporates and Consumers in U.P. region (with special reference to Banking and Insurance Companies)”* in the Department of Applied Business Economics, Faculty of Commerce of Dayalbagh Educational Institute, Agra. I humbly request you to spare some of your precious moment to help me in completing data by filling up the following questionnaire. I assure you that the information will be kept strictly confidential and will be used for academic purpose only.

Thanks for your kind co-operation.

Respondent profile

Name.....

Gender (place a tick mark):

Male

Female

Age (Place at tick mark):

20 to 30

31 to 40

41 to 50

Above-50

Level of Formal Education (place a tick mark):

High School

Intermediate

Graduate

Post-graduate

Level of Income (place a tick mark):

less than 1, 00,000

1,

00,001 to 2, 00,000

2, 00,001 to 3, 00,000

3, 00,001 to 4, 00,000

More

than 4, 00,000

Area (Place a tick mark):

Urban

Rural

Status

.....

Address

.....

Mob.....

Kindly rate the following statements on five points scale.

Do you agree that?

S. N	Statements	<u>Strongly Agree</u>	<u>Agree</u>	<u>Moderately Agree</u>	<u>Disagree</u>	<u>Strongly Disagree</u>
1	Consumer Forum provides speedy redressal. (Time Bound)					
2	Consumer Forum provides inexpensive redressal. (Only Nominal Fees)					
3	Consumer Forum provides hassle –free dispute redressal.					
4	Dispute redressal under Consumer Forum is compensatory in nature.					
5	This Court is easily accessible to all.					
6	Dispute Redressal Procedure under Consumer Court is fully Transparent.					
7	Mechanism of dealing with complaints is very systematic.					
8	Processing of complaints is technically very efficient.					
9	Consumer Forum acts very strongly against frivolous and vexatious complaints.					
10	Proceedings under Consumer Court are regular.					
11	Proceedings under Consumer Court are consistent					

12	Consumer Court provides consensus judgment.					
13	This Court maintains full accuracy in judgments.					
14	Consumer Forum provides fully impartial judgments.					
15	Execution of final orders is very strong.					
16	This Agency is relevant considering present business environment.					

