CHAPTER 6

CONSUMER ISSUES IN THE
MARKET
CONSUMER GROUP IN MARKET

• Consumers make choices based on habit: very hard to switch Brands

• Rational users: make decisions based on the model of decision making
  • Search for information to be considered When choosing

• More concerned with consumer prices:
  • Cheap price: Easily influenced by price discounts
  • Expensive price: high quality
Cont.

• Users extravagant (*boros*): a choice without deliberation.
  • Buy not planned & are attracted to the appearance of the goods.

• New users: still under the formation process of the personality use
  • Children, young - are attracted to the advertisements / influence from others.
WHY EXISTING CONSUMERS’ PROBLEMS IN MARKET

• Varieties of goods / services
  • Technology facilitates the production & distribution

• The level of education on aspects of the consumption
  • Not sure what is needed & the quality

• Sales incentives: attractive in advertising

• Insufficient information

• Attitude is not sensitive to consumer issues
Cont.

• Consumers always concerned their habits / practices:
  • Still buy goods although cheating in quality.

• Limited consumer resources:
  • Limiting the choice - selecting a low quality for low prices
Cont.

• Did not know they were deceived, imposed higher prices @ supplied with low-quality goods

• Not many options @ not be able to choose the best
CONSUMERS RELATED ISSUES

- Labeling - the expiry date of food & nutrition
- Reduce the cost of rising medical
- Price tag for each item
- Minimum charge for credit card bill
- Reduce the cost of financial services - loans rates
- Tariff increase - electric @ water
- Open burning - haze
ANALYZE & COMPLETE AN CONSUMER ISSUES

• Process2:
  • Constructive thinking
  • Analytical thinking
  • Provision of alternative solutions
  • The government's move/actions
  • A satisfactory solution
CONSTRUCTIVE THINKING

• The issues involved in understanding the problems that exist & can get information from other parties as well as to know whether additional information is required.

• Determining the most important information, the importance of information & how information is related to one another
ANALYTICAL THINKING

• Efforts to identify problems / issues to be addressed more clearly & complete.
• Determine the purpose / importance of a plan / proposal to resolve the issue.
• Involve action to fix the current issues (causes, effects, why do critical & historical) - will help to resolve the issue.
• Understanding followed term: to better understand things that become the issue
• Need to distinguish between something that is seen as an issue with the real issues
• To demonstrate the parties involved try to protect their respective interests: policy beneficial to those built & parties & parties - why the policy is held
PROVIDE AN ALTERNATIVE SOLUTIONS

- In the proposed solution
- Must be an indication that the state now has the disadvantage / harm & lack of important
- The proposed move is better than the old
- The principle of the proposal should be stated (reason / why)
- Can show the proposal, to resolve issues & provide advantages / benefits
GOVERNMENT ACTION

• Government involved in the issue
  • To ensure that the solution is in the public interest
  • Can solve the issues that beneficial to the various parties
• Involvement can improve market efficiency
ISSUES SETTLEMENT THROUGH COOPERATION

- Cooperation of the various parties.
- To avoid conflict, confusion, complaints from the parties involved
- Each party will get benefits
- This process involves trust & understanding of the various parties:
  - Need to identify what is agreed / not
CONSUMER RIGHTS

• Rights for
  • Get the basic needs
  • Safety
  • More information
  • Choose
  • Express an opinion
  • Compensation
  • Consumer education
  • Get healthy environment & secure
30 acts to protect the rights of consumers

Eg. Consumer Protection Act 1999

The existence of rules established to act: the details of the act

This act sets out the action may be taken by those who enforce the party who claimed
RIGHT TO GET BASIC REQUIREMENTS

• The right to the goods / services such as foundations safe & adequate food, clothing, shelter, sanitation & education

• Local Government Act 1976 - a list of basic amenities & public for the user

• Consumers are entitled to get information through a complete label, entitled to supply foods continuously

• There are 8 laws to monitor this right
Cont.

- Food Act 1983
- Food Regulations 1985
- Control of Supplies Act 1961
- Control of Supplies Regulations 1974
- Price Control Act 1946
- Trade Descriptions Act 1972
- Weights and Measures Act 1972
- Regulations 1973 Weights and Measures
RIGHTS OF SECURITY

• The right to be protected from goods / services that are harmful to health & life

RIGHTS TO GET INFORMATION

• Can the information & facts accurate - a wise choice
• Trade Descriptions Act - to protect against counterfeit goods / false
• CONSUMER PROTECTION Act 1999 - prohibits providers from advertising goods at prices which do not separate.
• Food Act 1983
RIGHT TO CHOOSE

• To determine & have products / services based on available information, current needs, tastes & the respective ability, qualities that are required at competitive prices

• Buyers make the best choice based on the principle - "Buyers should be careful" (Let the Buyer Beware)
RIGHT TO VOICE THEIR OPINIONS

• Freedom of expression enshrined in Article 10 of the Federal Constitution

• The right to express opinions to be heard & deliberated in government policy, dissatisfaction with disabilities to acquire goods & non-standard
THE RIGHTS OF COMPENSATION

• To recover compensation for disabled & poor quality goods / services are not satisfactory

• Guaranteed by the Consumer Protection Act 1999, Act 1957 Brgn Sales & Contracts Act 1950

• Complaints and compensation can be claimed directly from the dealer @ Tribunal's Small Claims Court
RIGHTS TO GET CONSUMER EDUCATION

• The right to get knowledge & skills to become informed consumers

• Through school, ministry, MPPN, Consumers' Association
RIGHTS TO GET HEALTHY ENVIRONMENT & SAFE

• The right to live in a clean & healthy environment

• Guaranteed by the Environmental Quality Act, the Pesticides Act 1974, Factories and Machinery Act 1967
TYPES OF ADVERTISING

• 3 TYPES:
  • INFORMATIONAL
  • PUFFERY
  • DECEPTIVE
INFORMATIONAL

• Specific information, understandable, legitimate claims about a product / service
• Help consumers make decisions
PUFFERY

• Few @ no information
• Announcing invalid / not correct
• The purpose of appeal consumers purchase goods / services
• Using the well-known as a model
• Ads are divided into categories
  • Testimonials
  • Institutional
  • Emotional
  • Comparison
• Ad set correctly for an unrighteousness
DECEPTIVE

• Make false claims to cheat consumers, but rather difficult to prove
• To confuse the user eg. weight loss diet food brand
• Free product is a tactic used
TYPE OF TRUTH IN ADVERTISING INFORMATION

• Literal truth
  • Supported by the facts - the truth is clear & the information is easily proved

• A real picture
  • Literally true but can bring a false picture of its effectiveness

• Information Heralded
  • Goods / services as best portrayed / largest

• The false impression
  • Whether a deliberate / not a false impression to consumers
MISLEADING ADVERTISING TO CONSUMER

• There are ads that show good products / services by consumers misleading.
NATIONAL CONSUMER POLICY / DASAR PENGGUNA NEGARA (DPN)

• Involve consumers’ representative from NGO & academic institutions (FOMCA, CAP, etc).
• Was launched in year 2002
• As a principle & guide in laws legislate about consumer protection.
DPN

- **Aim** - to encourage the rights balancing & responsibility among consumers, supplier & government in terms of to carry out the role, to encourage sustainable consumption to achieve National Vision for consumers’ well-being.

- **Focus** – 3 parties through self protection, self regulation & government involvement.
CONSUMER & ENVIRONMENT

• Consumers’ activities give an impact to environment:
  – Air pollution
  – Water pollution
  – Land pollution
  – Ozone layer
  – Global warming
Consumers’ Right & Environment Management

• Good & save environment

• 2 aspects in environment management
  – Solid waste management – 3 R (Reduce, Reuse, Recycle)
  – Management from pollution (product buying, packaging)

Consumer – Environmentally friendly.
Environmental Declaration & Rio Development

• Having 27 principle:
  – **Principle 1**: Human as a main focus in sustainable development.
  – **Principle 3**: Right for the development must be fulfilled with fair for the current and new generation.
  – **Principle 4**: Environmental protection must be a main part in the development process & cannot be separated to fulfill sustainable development.
• **Principle 17**: Environmental Impact Assessment (EIA) will be used for each of the country based on the project which can give negative impact to environment.

• **Principle 20**: Women have a big role in environmental management & development, their full involvement important to achieve sustainable development.
LANGKAWI DECLARATION & AGENDA 21

• 7 policies about environment:
  – Environment protection
  – Environment conservation
  – Increase in health level, safety, environmental quality for sust. development.
  – Integrate sustainable in all development decision making.
  – Accountability (Responsible)
  – Resource consume effectively.
  – Actively involve in international society.
CONCLUSION

• CONSUMERS’ PROBLEMS IN MARKET
• CONSUMER RIGHTS
• LAWS & CONSUMER PROTECTION
• TYPES OF ADVERTISING
• NATIONAL CONSUMER POLICY
• CONSUMER & ENVIRONMENT
  – Consumers’ Right & Environment Management
  – Environmental Declaration & Rio Development
  – Langkawi Declaration & AGENDA 21
Thank you.