

## Consumer Rights Awareness and its Effect on Consumerism in Kenya: A Survey of Household Consumers in Nakuru County

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### Abstract

Consumerism has been defined as a social movement seeking to augment the rights and powers of consumers in relation to sellers (Kotler, 2000). It has spread to developing countries including Kenya but majority of Kenyan consumers have been observed to be relatively passive in utilizing their rights and the established consumer protection mechanisms. Consumer exploitation has therefore continued unabated in the market place. The study aimed at investigating the level of consumer rights awareness and the effect of consumer rights awareness on consumerism in Kenya through a survey of household consumers in Nakuru County. The study adopted a descriptive research design involving a mixed method approach. A sample size of 400 respondents was drawn from 10 administrative sub-locations in Nakuru East and Nakuru West sub counties of Nakuru County. Multi-stage cluster sampling technique was used for selecting households. A pre-designed self-administered questionnaire was used for data collection. Analysis of data was done using descriptive and inferential statistics using Statistical Package for Social sciences (SPSS) version 19. Hypothesis test was done using p-values generated from linear regression analysis. Descriptive statistics indicated a high level of awareness of consumer rights among respondents. Correlation results indicated a positive but weak relationship between consumer rights awareness and consumerism. Regression results indicated a positive relationship between consumer rights awareness and consumerism. Hypothesis test indicated that consumer rights awareness had a significant effect on consumerism. The study concluded that most household consumers were aware of their consumer rights but majority of them were not effectively utilizing the established consumer protection mechanisms. The study recommended for a policy on consumer education and activation in Kenya. It also recommended that manufacturers should establish a division for consumer affairs to listen to consumer complaints addresses their issues.

**Keywords:** Consumer rights awareness, Consumer protection, Consumerism

### Introduction

Kotler (2000) defines the consumerist movement “as an organized movement of citizens and government to strengthen the powers of buyers in relation to sellers”. In a third-world perspective, Consumerism has been defined as “the efforts made either by the consumer himself, the government, and/or independent organizations to protect the consumer from the unscrupulous practices of businesses in their quest for profit” (Onah, 1979). Consumer right is an entitlement that a consumer enjoys at the market place. In 1982, Consumer International’s Charter of Consumer Rights came up with 8 consumer rights; Right to basic needs, to information, to safety, to choice, to be heard, to redress, to education and to a healthy environment. These Rights were further re-enforced by adoption of UN Guidelines on Consumer Protection in 1985 and 1999. These rights vary from country to country due to the diversity of consumers. Consumer rights in Kenyan are entrenched in the Consumer Protection Act 2012. The Kenyan consumer movement began back in 1951 when self-styled “housewives” came together in Nairobi to boycott stores that overcharged customers (Glickman, 2009). The Consumer Federation of Kenya (COFEK) is the umbrella consumer organization in Kenya whose mission of protecting Kenyan consumers is supported by government owned Kenya Bureau of Standards (KEBS) and Communications Commission of Kenya (CCK). The Consumer Unity Trust Society (CUTS) has also been established to provide advisory services and to receive complaints from consumers. However, despite the existence of government consumer protection bodies, incidences of consumer exploitation continue to be reported in Kenya (Oremo, 2012). Therefore, it was found important to investigate the level of consumer rights awareness and examine the

effect of consumer rights awareness on consumerism in Kenya.

### Literature Review

Over the years, the word “rights” has always found shelter under the banner “human rights”. Human rights are rights and freedoms protected under the constitution of a country, and are enshrined in the laws of Kenya. These rights are linked to the Universal Declaration of Human Rights 1948 as well as other rights treaties ratified by continental organizations. As the debate on human rights evolved, partly shaped by world events like apartheid, genocide, scholars and lobby groups, so the need to widen the area of focus and narrow down to the specifics of human livelihood occurred. This saw the segmentation of rights based on sectors like land rights, business rights, environmental rights, cultural rights and more importantly consumer rights among others (Oremo, 2012). Ishak and Zabil (2012) established a strong link between consumer awareness and effective consumer behaviour in terms of protecting consumer rights. The study was conducted among Malaysian consumers in both urban and less urban locations. The study concluded that there was a strong relationship between awareness of rights and effective consumer actions and established that awareness imposes a more significant influence on effective consumer’s behaviour compared to the knowledge level of rights by consumers. According to Bello, Aduke and Danjuma (2012) when awareness is low among consumers, consumerism is in near absence. The study conducted among Nigerian consumers indicated that the near absence of consumerism or action against unwholesome business practices in the country was closely associated with low level of consumer awareness. The study concluded that enactment of consumer protection Act 2004 had not enhanced consumer protection and that despite the existence of a consumer protection law, consumerism can fail to materialize in a given society without proper consumer education.

Vijayakumar and Venugopal (2012) postulated that consumer education enhances consumer rights awareness. The study on consumer rights awareness conducted in India found out that educational institutions played a significant role in raising consumer rights awareness. Further, the study was able to establish that consumers can still be exploited even when aware of their rights. The study focused on universities that offer studies on consumer affairs as part of their syllabus. Majority of students interviewed agreed that consumer awareness can assist in reducing consumer exploitation in the market place indicating a link between consumer rights awareness and reduction in consumer exploitation in the marketplace. Khurana and Khurana (2012) examined the general awareness among consumers regarding consumer protection measures and the Consumer protection Act (1986) in India. The study was conducted in the District of Yamuna Nagar of Haryana State. One of the objectives of the study was to provide recommendations that for strengthening consumer awareness programme in India. The study found out that all respondents had general awareness of consumer protection and that all consumers had faced the situation of consumer exploitation in one way or other. The results also found out that only 10% of the respondents had approached the consumer forum for justice while none of them had used the National Consumer Helpline as a means of seeking redress for the problems faced as consumers. This indicated a low level of utilization of consumer protection mechanisms in the country despite the existence of general consumer rights awareness in the country. Jayasubramanian and Vaideke (2012) concluded that general public awareness of consumer rights and consumer protection measures is affected by lack of proper communication. The study looked at consumer rights awareness and attitudes towards Consumer protection measures in India. It revealed that despite government measures to protect the consumer, consumers may end up not using the measures properly. The study recommended for co-operative efforts on the part of consumers, business and the government as necessary for protecting consumers. The study suggested that in order for the Indian consumer movement to succeed government actions and consumer activation through consumer education was necessary. The study recommended that consumer education should be done in colleges and schools in India. Ahlawat and Shekar (2009) observed a close relationship between level of awareness and utilization of consumer rights through a study of 200 Indian women consumers. The study conducted in Palanpur city of Gujarat State found out that consumers are mostly aware of the rights that are simple and easy to access such as, right to information, choose and safety. The other rights that required a deep understanding of complicated rules and procedures are less utilized by women. These finding were supported by Kulkarni and Mehta (2013) who investigated buying practices and level of consumer rights awareness among management scholars. The study which was conducted in Ahmednazar city found out that 62% of management students were aware of their rights but only 5% had lodged complaints against sellers in a district consumer forum. The studies suggest that consumers need to be educated more about the procedure of filing complaint and seeking redress. Babaogul et al (2010) concluded that the consciousness level of the consumers in terms of knowing and protecting their rights are important determiners for modern marketing practices and vital for consumer protection. The study conducted in Turkey postulated that Unions and foundations that work for consumer protection had not been adequately effective. Works of such organizations on consumer protection have remained at a very limited level due to the weak organization consciousness of consumers, financial problems, lack of organization and legal constraints. The study suggested that consumer education is the key, if consumers can be educated, they will be able to

participate effectively in the consumer movement.

Nyongesa and Mwiti (2007) conducted a study in Nairobi and Nakuru towns and found out that consumer rights awareness was quite low among Kenyan consumers. They proposed that unawareness may have affected utilization of consumer protection measures and development of consumerism in Kenya. The study recommended the enactment of consumer bill of rights, establishment of consumer protection authority and the formation of effective partnerships between consumer protection bodies and consumer rights education. It can be noted that even after the enactment of the Consumer Protection Act 2012, utilization of consumer rights by Kenyan consumers remains an issue of concern. The study also found out that consumers are ignorant on where to turn to in case they encounter an irresponsible company. Nair (2012) investigated the level of awareness among undergraduate students regarding the intellectual property rights and consumer protection in India. Six Colleges were involved in the study which found out that the majority (81.8%) of all the college students interviewed were not aware of the Acts of parliament that were relevant in consumer protection. Despite the various initiatives undertaken by the Government to educate and promote welfare to the consumers, the analysis of the primary data collected from 758 undergraduate students from six different colleges located in six different talukas of Thane District revealed that the level of consumer awareness is limited. The study concluded that the limited awareness of consumer rights was responsible for consumer exploitation in the market place. It advocated for active involvement and participation (consumerism) by consumers from all quarters that is the Central and State Governments, the educational institutions, the NGOs, the print and electronic media and the adoption and observance of a voluntary code of conduct by the trade and industry and the citizen's charter by the service providers are necessary to see that the consumers get their due.

### **Objectives of the study**

The following objectives guided the study:

- (i) To determine the effect of consumer rights awareness on consumerism

### **Hypothesis of the study**

H<sub>01</sub>: Consumer rights awareness has no significant effect on consumerism

### **Methodology**

The study was conducted among estates with a target population of 68,469 households in Nakuru West and Nakuru East sub-Counties of Nakuru County. A sample of 400 was drawn whereby heads of households or any other adult present were interviewed. A multi-stage cluster sampling method was used for selecting the sample for the study. The study adopted a descriptive research design involving a mixed method approach. According to Jackson (2009), descriptive design involves observation, case study or survey methods that are mainly used for describing situations. A mixed method approach involves both quantitative and qualitative analyses. The design was therefore suitable for establishing the relationship between consumer rights awareness (independent variable) and consumerism (dependent variable) since it enables a multifaceted approach and allowed the use of surveys as per the research requirements. Secondary data was collected from text books, government and published academic journals while primary data was collected through a predesigned self administered structured questionnaire which consisted of 5 point likert scales constructed with reference to Elsabawy (2011). Cronbach's alpha was calculated to measure the reliability / internal consistency of the instrument and the value was 0.679. The acceptable reliability co-efficient had been recommended as 0.7 and above but nevertheless. According to Shelby (2011) alpha values of above 0.6 are also acceptable therefore confirming reliability of the instrument. The face validity of the scales was assured through experts' reviews and literature survey. Data analysis was done through Pearson's correlation and linear regression analysis with the aid of Statistical Package for Social Science (SPSS) version 19.

### **Results and Discussion**

#### **Effect of consumer rights awareness on consumerism**

The second objective was to determine the effect of consumer rights awareness on consumerism. This objective was based on the premise that high level of awareness of consumer rights would lead to high level of consumerism. Pearson correlation analysis results indicated that there was a positive correlation ( $r=0.194$ ) between consumer rights awareness and consumerism (see table 3). The strength of association between consumer rights awareness and consumerism was categorized as weak correlation according to Cohen decision rules.

**Table 3: Correlation between consumer rights awareness and consumerism**

		Consumerism	Consumer rights awareness
Consumerism	Pearson Correlation	1	.194**
	Sig. (2-tailed)		.000
	N	400	400
Consumer rights awareness	Pearson Correlation	.194**	1
	Sig. (2-tailed)	.000	
	N	400	400

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Linear regression analysis indicated a positive ( $\beta=0.178$ ) relationship between consumer rights awareness and consumerism (see Table 4). The hypothesized relationships depicted in the conceptual framework were tested using p values at 95% confidence level. The decision rule was to reject the null hypothesis in favour of the alternative hypothesis if calculated p-value was less than the significant level (0.05) and fail to reject the null hypothesis if calculated p-value was greater than the significance level (0.05). From the output of linear regression analysis, the p-value for consumer rights awareness variable was 0.000 (see Table 4). Using the decision rules, we reject the null hypothesis since  $0.000 < 0.05$  and conclude that consumer rights awareness has significant effect on consumerism. Therefore, the results established that even when consumer rights awareness is high, consumerism may remain relatively low among consumers contrary to the findings by Bello, Aduke and Danjuma (2012) that low awareness leads to near absence of consumerism.

**Table 4: Regression results**

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.034	.323		6.306	.000
	Consumer rights awareness	.195	.052	.178	3.749	.000

a. Dependent Variable: Consumerism

### Conclusion

The following conclusions were drawn from research findings;

First, the level of consumer rights awareness was high among household consumers. Most household consumers were aware of their basic consumer rights compared to the complex rights. However, majority of the respondents were not utilizing the established consumer protection mechanisms in the country. Secondly, there is a positive but weak correlation between consumer rights awareness and consumerism. Consumer rights awareness has a positive effect on consumerism. This effect was significant as confirmed by linear regression analysis and hypothesis test as corroborated by Ishak and Zabil (2012).

### Recommendations

The study recommended for a consumer education policy involving its introduction as a mandatory subject at secondary and/or tertiary levels of education in Kenya. The study also recommended that civil society should participate in enforcement of consumer rights as part of their campaigns against social ills in the society. The press should play a key role in advancing the course of consumers by dedicating weekly programmes on consumer rights protection that may be used as a means of consumer enlightenment. Government agencies and regulatory bodies involved in consumer protection should be adequately funded to enable them fulfill their obligations as provided by the laws establishing them. Manufacturers and producers should establish a division for consumer affairs to allow participation and representation of consumers in all corporate decisions. Further legislation is required to mitigate production or marketing malpractices and ensure adherence to the law by manufacturer. Consumer organizations and government regulatory agencies should intensify consumer education and sensitization campaigns across the country and establish consumer forums in all Counties.

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