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Consumer Education in Creating a Consumer Conscious Nation

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Abstract

Consumers are exposed to the risks and threats due to the usage of unsafe or substandard products or services. However, they should empowered themselves with the consumerism knowledge through formal or informal education. It can help the society to understand what their role in being the conscious consumer. The purpose of this paper is to know the consumer education in Malaysia has achieved their target in a way to create the awareness among public. Based on findings, it can be concluded that consumer education was not commencing in the streamline education system whether in primary, secondary or tertiary.

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1. Introduction

Consumer education is also a means towards achieving a harmonious and civilized society based on these principles of fairness to all, equity and truth. Through consumer education, consumers are taught not just their rights but also to be more responsible towards their own consumption and environment. This demand by the consumers in return will induce the manufacturers and marketers to be responsible for the products produced and services provided.

In Malaysia, the role of educating the public on consumerism is normally a responsible of the Government, and the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) plays an important role in creating and

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empowering consumerism in Malaysia. One of the objectives of the establishment of MDTCC is to promote an ethical domestic trade while protecting the interests of the consumers. The Ministry's responsibilities include monitoring domestic trade, advocating and protecting consumers' rights, protection of intellectual properties as well as registration and governance of businesses. Since 1999 until year 2009, the Malaysian Consumer Awareness Index showed that there is only 58% of Malaysian knows their right as consumer (Aziah Hashim, et.al, 2002).

The Non-Government Aligned Organizations (NGO) has supported the consumerism education since early 1970s. According to Hilton (2003) the consumer movement in Malaysia, especially the Consumers' Association of Penang and the Federation of Malaysian Consumer Associations has started from the late 1960s, through a period of rapid social and economic change associated with the New Economic Policy of the 1970s and 1980s. Since the mid-1980s, other NGOs have emerged, eclipsing the influence of consumerism, and promoting human rights agenda which has overtaken the politics of consumption as the dominant oppositional rhetoric of non-governmental groups.

The purpose of this study is to know whether the consumer education in Malaysia has achieved their target in order to create awareness among public. As reported in Consumer Profile Research, conducted by MDTCC revealed that only half of Malaysian consumers are properly aware of their rights. Even more consumers are unaware of their rights in the larger context, such as the rights to a clean and healthy environment, consumer education, security and information. Local consumers are also still unaware of their rights to protection from items, manufacturing processes and services that can endanger their health and lives. Compared to developed countries, consumers are more particular about their rights while traders are more responsible (Benn, 2004). Currently the Malaysian government has also embarked on a similar mission of building more awareness on consumer rights in its journey towards achieving the status of a developed nation by 2020.

2. Related literature

Education is to enable the consumer to function effectively and responsibly in an increasingly complex market place. Consumers have to not only understand the complexity of the market place but also the safety measures introduced for their protection and their role within it. Earlier conceptions of consumer education emphasised its role in producing consumers who could act effectively, i.e. safeguard their own interest and that of their families. The paradigm was essentially 'Value for Money' and it focus primarily on household. By the end of the 1970s consumer education changed to reflect the growing influence of consumerism. The paradigm became 'Rights and Power to the Consumer' and the focus that of market structures. The curriculum approach was to include it within social studies and emphasise the empowerment of consumer organisations, the development of consumer policy and legislation. By the 1980s there was a significant value change in consumerism. Social and green consumerism emphasised 'Quality of Life' with a focus on society and environment (Cross, 1993).

According to Aziah Hashim et.al, (2002), consumer education is a means of providing knowledge to consumers so that the individual consumer would be able to develop or acquire the skills, aptitude and values needed to become a responsible and responsive consumer in market place as well as in the society.

Fazal & Singh (1991) stated that consumer education in four aspects which are related to four core reasons why consumer education is needed. They are *Informed Choice* (Consumers must have knowledge about goods and services by learning and getting more information about it), *Value System* (Consumers must learn how to share and care as consumers are part of the society), *Recognition of Responsibilities and Rights* (There are three distinctive roles, as workers, consumers and citizens. It is important to articulate and understand both responsibilities as well as rights as consumers) and *Catalyst for Action* (Consumer education must catalyze action. They must become aware of the available avenues of consumer complaint and redress and learn to use them for their benefit).

For example, Hartlieb & Jones (2009) emphasize the importance of ethical labelling for humanizing business images. The function of ethical labelling is to saliently develop the ethical qualities into product features so that customers become aware and have knowledge on the critical aspect which is expected to influence consumers' decisions or behaviours. Meanwhile, Dommeyer & Gross (2009) examines the role of customers' awareness and knowledge in the area of consumers' private information invasion by direct-marketers. Their findings indicate that male and younger people have more awareness on privacy-related laws and practices. As a result, these groups have adopted specific strategies to protect themselves from the invasion syndicate. Another study by Donoghue & de Klerk (2009) had emphasized on the consumers' traits and psychological characteristic for explaining consumers

complaining behaviours.

Chartrand (2005) stated that awareness is an element that appears in the human automatic process. The automaticity can involve conscious or unconscious course of actions. The process is comprised of environmental features; automatic process and outcome. According to Chartrand (2005) consumer's awareness (either consciously or unconsciously) precedes the control, modification, elimination and change in human behaviours and decisions. Thus, effective consumer education can only be materialized through awareness.

Consumer education should also lead the consumers to the recognition of their rights as consumers. They must be motivated to take action to protect as well as advance these rights therefore The International Organization Consumers Unions has articulated 8 basic rights of the consumers (Fazal & Singh, 1991). They are:

- *Basic needs*: The right to basic goods and services which guarantee survival: adequate food, clothing, shelter, health care, education and sanitation.
- *Safety*: The right to be protected against the marketing of goods or the provision of services that are hazardous to health and life.
- *Information*: The right to be protected against dishonest or misleading advertising or labeling. And the right to be given the facts and information needed to make an informed choice.
- *Choice*: The right to choose products and services at competitive prices with an assurance of satisfactory quality.
- *Representation*: The right to express consumer interests in the making and execution of government policy.
- *Redress*: The right to be compensated for misrepresentation, shoddy goods or unsatisfactory services.
- *Consumer education*: The right to acquire the knowledge and skills necessary to be an informed consumer.
- *Healthy environment*: The right to live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and wellbeing.

As far as consumers' rights are concerned, all form of knowledge can affect consumers' defensive behaviours. Ignorance in any form of knowledge can deteriorate consumers' capacity to exercise their rights as well as unable to force traders to act in compliance with requirement of consumer protection act and vice versa. For example, according to Thomas & Mills (2006), current legislation of the Truth-in-Menu Laws has been established to protect American consumers from fraudulent restaurant practices in terms of nutritional content, health claims, serving size, geographic origin of foods, quantity and quality of food product, methods of preparation, representation of merchandising items and misbranding. However, the law provides flexibilities to the restaurant operators to provide nutrition information upon request from customers. Due to American consumers' knowledge on the provision of Truth-in-Menu Laws, they have requested the restaurateurs to provide more nutrition information on the menu. Such action reiterates the role of consumer knowledge and awareness in advocating effective consumerist behaviours as well as disciplining the traders.

3. Research objectives

In defining this study, researchers have developed the following specific objectives:

- To identify the stake holder perceptions towards consumerism in terms of quality, confidence and position;
- To identify the 'loop hole' in disseminating information to the public;
- To determine the effectiveness of government and NGOs campaigns' to educate the society.

4. Conceptual framework

To meet the main purpose of the study, the researcher has come out with conceptual framework and could relate on how consumer and education could construct and creating a conscious nation.

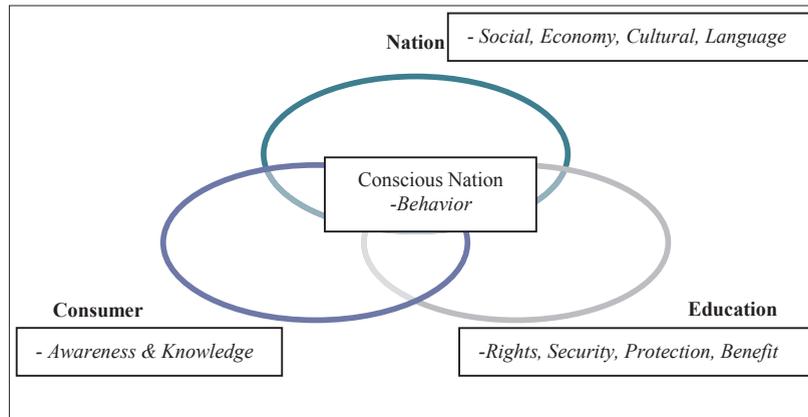


Fig. 1. Conceptual framework

5. Research methodology

The researchers managed to collect data using two research methodologies, first is from in-depth interview that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation and second from secondary data collection. In-depth interview was designed to learn the respondents' experiences in consumerism and to look for a more complete thought of their passion in consumer education. According to Boeree (1998), qualitative methods, as the name indicates, are methods that do not involve measurement or statistics. Because the natural sciences have had such resounding success with quantitative methods, qualitative methods are sometimes looked down upon as less scientific.

Qualitative method via in-depth interview with the group of stakeholders was done to fulfill the main objectives of the study. Secondary information also includes collecting data through publicly available data that is collected from online source, newspapers, journals on consumer issues and text books.

The interview was set up through face-to-face interview and via email, which is easier to get the response. Four respondents have been selected from different races, level of education and career. First respondent was the Director of Policies and Strategic Planning Division in Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC). Second respondent was also from the MDTCC and he is an Assistant Principal Officer in Consumerism Division. Both of them are Malays. The third respondent was a Chinese Officer from the Federation of Malaysian Consumers Associations (FOMCA) and last respondent was a young Indian women executive who worked in a well known local banking company. The questions consisted of different type of input which is deeply related to research questions and objectives such as;

- Level of knowledge regarding consumer education.
- The best mechanism to give consumer education in Malaysia.
- Suggestion for consumer education, in school or informal way.
- Funds and resources available to support consumer education.
- Has the government done well enough to educate the public on consumerism?
- Which party should play more roles in disseminating consumer's knowledge?

6. Results and discussion

Two areas namely, level of knowledge and consumer education awareness, were asked to see whether these dimensions have given any positive or negative impact on social and cultural changes. It was found that those two areas at a certain percentage were believed to give impact towards educating public on consumerism.

Based on eight questions asked in the interview session, it is found out that level of knowledge regarding consumer education, mechanism to educate consumer education, formal education in school, funds and resources

available to support consumer education and efforts presently made to expand consumer education in school contributed among the highest answers. Overall, all respondents agreed that both government and public should play their role as provider and knowledge receiver to educate public on consumerism.

According to answer from one of respondent, since year 2012, a subject on Consumerism and Financial Management are taught at six vocational schools as pioneer project and hopefully it will be expanded to all schools as the education transformation plan takes place.

In general, all factors stated above showed that consumers are very positive with the government idea on building more awareness on consumer rights. They believe it will bring good environment especially to their descendants. Not only that the opportunity to gain more awareness will be prepared, but their children will be living in a better environment especially in terms of consumer educations. The education program in primary or secondary school scheme could be of beneficial not only to students but also to the public. With more infrastructures and upgrading of facilities, these help consumer to live better and work more productive. The awareness on the importance of consumer education is now taken more seriously by the Ministry of Education.

Consumers play an important role as they must communicate or express their dissatisfaction or complaints before remedies can be taken (Donoghue & de Klerk 2009). This requires consumers to have knowledge on their rights, for example, regarding complaints' procedures and to take appropriate actions in line with the stipulated regulations. Furthermore, the law may not always be in the position to best champion the consumers' rights (Sakina et.al. 2012). Therefore, consumers must actively participate in advocating the process of upholding their rights against market exploitations.

7. Conclusion and recommendations

Based on findings of this study, it can be concluded that consumer education is not commencing in the streamline education system whether in primary, secondary or tertiary. However, as on current government policies in Malaysia, the establishment of School Consumer Club and Student's Consumer Movement in tertiary level will further aid in extending the knowledge and understanding about consumer right among younger generation.

Looking at the mass scenarios on price hike and low awareness and knowledge about consumerism in Malaysia, people find they can always lodge their complaints through respective ministry and NGOs. However, they should be more aggressive on empowering themselves with consumerism knowledge through formal or informal education such as through seminars by the community or support any government, corporate or NGOs campaign about consumerism. It can help the society to understand their role in being a conscious consumer.

The role of the Government is to provide legal protection to the consumer via appropriate laws and enforcement. Awareness is about information. They did quite well on the consumer campaigns through Consumer's Day/Month celebration but the public knowledge about consumerism is still low. Lack of consumer awareness is sometime related to insufficient information available to the public. It will never be enough if the task to educate the public rested only with the government. Consumer NGO also need to play their roles such as give full support or cooperate with government or corporate in educating the public via campaign. However, probably much effort should be given to undertake consumer education in an integrated approach especially in the case whereby more than one agency is involved.

As for recommendation for future research to study more on consumerism effectiveness in Malaysia, a study on the level of awareness may also be conducted to identify the impact of consumerism campaign among Malaysian. The findings probably will contribute to further develop efficient approach or methods by government in commencing any act or regulation to protect consumer's right, as well as the business community.

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