

Consumer Interests and Public Relations in PSUs

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Consumer Interests

Consumer interest can have two definitions, which are distances apart in terms of meaning.

- In the first sense, consumer interest can be defined as those things in which the mass market, and average consumers (like most of us), are interested. This is a frequent usage of the term in economy reports on what people are buying. For instance a headline like “Consumer Interest in Mini-Vans Declines,” would suggest the public is less interested in purchasing mini-vans.
- It shows the choice, demand, trends and fashion in vogue and buying capacity and sometime selfish nature of consumers.
- Mainly, The Consumer Protection Act, 2019 (earlier of 1986) ensures consumer interests.

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- The other way in which consumer interest is used is to define certain types of interest (*byaai*) that consumers must pay when they take out specific types of loans. Generally consumer interest refers to the interest accrued on personal loans and on credit cards. It tends to exclude any type of interest that is tax deductible, like a home mortgage or a loan to start a business. An assessment of how much consumer interest is accrued in a given period can suggest many things about the economy. For instance, it can show if people are spending more by using credit cards, or if they've cut spending in general. Estimates of interest owed can also be used to understand interest rates and just how indebted most consumers are.
- It is mainly applicable with financial enterprise like- Banks.

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- As per *Investopedia*- “Consumer interest is interest charged on consumer credit accounts such as personal loans, automobile loans and credit card debt. Unlike mortgage interest and some interest charged on student loans, consumer interest from personal loans, credit cards, and other debt is a nondeductible tax expense”.
- The RBI, SEBI , Govt. of India and other public policy provisions decide the interest rates and secure other consumer interests.

Banking and Consumer Interest

When we come across the recent initiatives of RBI in consumer education and protection, we find the formulation of the 'Charter of Customer Rights' which includes 5 basic rights of bank customers. They are-

- Right to Fair Treatment
- Right to Transparency, Fair and Honest Dealing
- Right to Suitability
- Right to Privacy
- Right to Grievance Redress and Compensation

Banking *Lokpal* is an institutional mechanism for the purpose.

Other Sectors

In other sectors the Board of Management, Ministry concerned and some legislations secure consumer interest protection –

1. The Code of Criminal Procedure, 1973.
2. Indian Penal Code, 1860.
3. The Dangerous Drugs Act, 1930.
4. The Drugs and Cosmetics Act, 1940.
5. The Drugs Control Act, 1950.
6. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954.
7. The Prevention of Food Adulteration Act, 1954.
8. The Essential Commodities Act, 1954.

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9. The Trade and Merchandise Marks Act, 1958.
 10. The Monopolies and Restrictive Trade Practices Act, 1969.
 11. The Standard of Weight and Measures Act, 1976.
 12. The Prevention of Black Marketing and Maintenance of Essential Supplies Act, 1980.
 13. The Consumer Protection Act, 1986 (now 2019).
 14. The Competition Act, 2002.
 15. The Food Safety and Standards Act, 2006.
 16. The Legal Metrology Act, 2009.
- Other Constitutional provisions and security measures.

Public Relations

-In general terms the professional maintenance of a favourable public image by a company or other organization or a famous person is known as public relations.

-Public relations (PR) is the practice of deliberately managing the release and spread of information between an individual or an organization (such as a business, government agency, or a nonprofit organization) and the public. Public relations (PR) and publicity differ in that PR is controlled internally, whereas publicity is not controlled and contributed by external parties. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. This differentiates it from advertising as a form of marketing communications. Public relations aims to create or obtain coverage for clients for free, also known as 'earned media', rather than paying for marketing or advertising. But in the 2010s, **advertising is also a part** of broader PR activities.

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- In Indian PSUs there is a PRO and public relation section (unit) in each enterprise to deal with press (media), advertisement agencies and public at large to build the image of the organization and the selling the products.
- This unit also deals with public or consumer complaints and grievences.
- Most of the PSUs have developed a Code of Ethics for public relations.
- The PRO and his/her unit also deals with trade unions with the consultation of top management and the ministry concerned.
- Mutual fund/share/debenture etc. issues are being handled by PRO in some PSUs.

New Trends

In recent decades the public relation and consumer interests in PSUs, both have got new dimensions.

1. For environment protection, it is expected that an organization should-

- Ensure efficient and pollution free functioning.
- Recycle industrial waste.
- Have proper discharge channels for effluents.
- Provide treatment of toxic gases.
- Have water and air purifying installations.

2. Efforts should be made for sustainable development.

3. Corporate Social Responsibilities as per the norms set by the govt.

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- An Enterprise or company has a number of stakeholders including employees, suppliers, media, dealers, community leaders. They have a certain impression about the organization. The **corporate image** is the way the various public's view the organization. It is important that the company should have a good image.
- Corporate Communication through various modern and traditional media is a crucial aspect for every PSU.
- Many of PSUs human resource development (HRD) part has been linked with PR activities.