

EMPOWERING VULNERABLE CONSUMER GROUPS: A STUDY OF THE AWARENESS AND EXERCISE OF CONSUMER RIGHTS OF MARGINALIZED SECTORS

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Abstract

Consumer protection is a crucial aspect of ensuring fair and equitable treatment for all individuals in the marketplace. Vulnerable consumer groups, including marginalized sectors such as persons with disabilities, women, fisher folks, students, and senior citizens, often face unique challenges in accessing and asserting their consumer rights. Consumer vulnerability is a fundamental concern of consumerism. The main concern of policymakers and regulatory bodies in the realm of consumer protection has always been safeguarding consumers during their most susceptible moments. This paper contributes to the consumer vulnerability literature by empirically drawing on new insights from consumers who experience vulnerability during their interaction. The study used the survey method to look into the distribution of the respondents and to measure their awareness of their rights and responsibilities in relation to the provisions of the Consumer Act of the Philippines alongside other related to Trade and Industry laws. The analysis of internal and external factors influencing the level of vulnerability and coping strategies of individuals reveals the interconnectedness of emotional well-being, social support that aids in consumption, acceptance, autonomy, and perceptions of marketplace challenges with their adaptive mechanisms. The results underscore the importance of targeted interventions and educational programs tailored to address the specific needs and circumstances of these vulnerable sectors. It is evident that enhancing consumer awareness and empowerment among vulnerable sectors can lead to more equitable market interactions and improved protection against potential harm. This study serves as a foundation for further research and interventions aimed at fostering a fair and inclusive consumer market for all consumers, regardless of their vulnerabilities.

Keywords: Consumer Awareness, Vulnerability, Marginalized, Basic Rights, Consumer Protection

INTRODUCTION

The main concern of policymakers and regulatory bodies in the realm of consumer protection has always been safeguarding consumers during their most susceptible moments. The idea of consumer vulnerability is intricate and multifaceted, essentially referring to the state of being easily affected by potential harm. Nishadi (2022) opined that consumer vulnerability is a comprehensive term used to describe the feeling of helplessness experienced by consumers during their interactions in the marketplace. Throughout the consumption process, consumers may encounter various situations where they lack control, leading to suboptimal consumption experiences. The concept of consumer vulnerability is studied in the field of consumer behavior to comprehend the possible reasons behind this powerlessness and its effects.

Perera and Jayawickrama (2022) defined consumer vulnerability as a condition in which consumers face potential harm due to limited access to resources and restricted control, which significantly hinder their effective participation in the marketplace. They further presented two

perspectives: one based on personal experience and the other through external observation.

Consumers' vulnerability has an impact on their ability to get value for money for products and services. (BritainThinks, 2018) Vulnerability is often multi-layered, complex and fluid, meaning that the experiences of vulnerable consumers when engaging with markets, and the nature of the challenges they face, tend to vary from person to person and may fluctuate over time.

Consumer vulnerability as stated by Hill and Sharma (2020) results from the interplay between an individual consumer and the unique and special attributes present within a consumption scenario, leading to discussions on the various ways consumers experience vulnerability. Vulnerability may be a temporal state. A consumer may be vulnerable when dealing with an organization due to the presence of personal, situational or even external conditions.

Hill and Shama (2020) found out that the existing literature predominantly explores consumer vulnerability by concentrating on pre-identified vulnerable groups, including disabled individuals, illiterate consumers, homeless populations, visually impaired consumers, and others. To which Falchetti et.,al (2016) agreed when they found out that as per the existing literature, most research has focused on investigating consumer vulnerability by examining specific predetermined groups, such as individuals with disabilities, illiteracy, homelessness, or visual impairments.

Consumers' vulnerability could be because they are old, poor, belonging to minority groups and sometimes they lack the combination of resources-control that makes them susceptible to harm in the market. An old person could be independent and able to provide for themselves but they are easily manipulated by information in advertisements because of poor eyesight. Meanwhile the young know how to scrutinize the advertisements but lack the financial resources because of no job. When consumers feel vulnerable, they act differently depending on the extent they want to compensate for the lack of resources or try to regain control. Vulnerable customers include individuals with a loss of income due to unemployment, those experiencing health issues and people who have limited digital literacy. There are many, but four key factors that drive customer vulnerability include: low capability, low resilience, suffering a negative life event, coping with an ongoing or chronic health condition. Truly lower levels of cognitive ability and less social interaction are the main reasons why people are easily prone to consumer fraud. Less awareness on unfair business practices can also be a driving force but consider that age, race and sex can be a vital force in consumer vulnerability to fraud.

According to Helberger (2021), consumers are not inherently vulnerable; rather, their vulnerability arises from the interplay between market dynamics and their individual characteristics and circumstances. This interaction can lead to varying degrees of consumer vulnerability and, in some cases, disproportionately negative consequences for certain consumers. Through their research, Helberger demonstrated how the digital age's advancements are impacting consumer vulnerability. These developments encompass the rapid adoption of e-commerce, expedited by the pandemic, along with associated risks; the rising

complexity of online transactions and technologies; the proliferation of dark commercial patterns; the increasing potential for exploitative personalization practices; the heightened risks of biased and discriminatory algorithms; and the persisting digital divides observed in numerous countries.

The Consumer Act of the Philippines (Republic Act No. 7394) embodies the state policy on the protection of consumers and establishes standards of conduct for business and industry in the country. The Act aims to provide protection to consumers against hazards to health and safety, and deceptive, unfair and unconscionable acts and practices in sales. It is the policy of the State to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry. Towards this end, the State shall implement measures to achieve the following objectives:

1. Protection against hazards to health and safety;
2. Protection against deceptive, unfair and unconscionable sales acts and practices;
3. Provision of information and education to facilitate sound choice and the proper exercise of rights by the consumer;
4. Provision of adequate rights and means of redress; and
5. Involvement of consumer representatives in the formulation of social and economic policies.” (*Article 2, R.A. No. 7394*)

The Department of Trade and Industry (DTI) has been continuously working on awareness campaigns to help redress the problems arising from problems, scams and frauds that consumers experience as the fundamental concern of consumerism is the protection of consumer rights. Under the DTI Policy Advisory No. 22-01, Series of 2022, the Department of Trade and Industry (DTI) enumerated the eight basic rights of a consumer. The Eight Basic Consumer Rights, according to the DTI are:

1. The right to basic needs;
2. The right to safety;
3. The right to information;
4. The right to choose;
5. The right to representation;
6. The right to redress;
7. The right to consumer education
8. The right to a healthy environment

These rights may, as far as practicable, be referred to or invoked in all matters related to consumer protection, including but not limited to settlements, decisions, and resolutions in mediation or adjudication of consumer complaints. However, the bigger problem lies in vulnerabilities that come with age, disabilities and illiteracy. Hence, this paper contributes to

the consumer vulnerability literature by empirically drawing on new insights from consumers who experience vulnerability during their interaction. Furthermore, this study will assist companies and policymakers in developing strategies in order to provide better service to consumers particularly those that are vulnerable.

OBJECTIVES OF THE STUDY

This study was undertaken to shed light on the awareness and exercise of consumer rights within marginalized sectors and provide valuable insights to promote a fair and inclusive consumer market for all. Specifically, it sought to find answers to:

1. What is the sectoral affiliation of the respondent-consumers?
2. What is the level of awareness of the respondent-consumers on their rights?

RESEARCH METHODOLOGY

The study used the survey method to look into the distribution of the respondents and to measure their awareness of their rights and responsibilities in relation to the provisions of the Consumer Act of the Philippines alongside other related to Trade and Industry laws. Respondents of this undertaking were taken from the different sectors of the province using the stratified random sampling technique. Data gathered were treated using frequency and percentages.

RESULTS AND DISCUSSION

Table 1: Distribution of Participants in terms of Sector Affiliation

Sector	Frequency	Percentage
Housewife	48	9.00
Farmers/fisher folks	49	9.10
Government/Private Employees	70	13.10
Persons with Disability	22	4.10
Business Sector	68	12.70
College/ High School Students	204	38.10
OSYs/ Unemployed	21	3.90
Senior Citizens	54	10.10
Total	536	100.00

Table 1 shows the frequency and percentage distribution of participation by sector. According to the table, High School/College students have the greatest frequency of two hundred and four (204) or 38.10 percent, while the OSYs/Unemployed have the lowest frequency of twenty-one (21) or 3.90 percent. According to the statistics shown above, all of the key sectors were represented in the study's execution. However, the number of participants regarded to be part of the specified vulnerable categories as categorized by Hill and Shama (2020) - Persons with Disabilities, OSYs/Unemployed, and Senior Citizens accounting for a total of 95 respondents - is considerable. Nishadi et., al (2022) identified five (5) areas or groups that are vulnerable: Online Consumer Vulnerability, TV Advertising on Children Consumer Vulnerability, Low

Literacy Vulnerability, Older Consumer Vulnerability, Consumer Vulnerability on Multicultural Market Place. Except for older consumers, they did not include the identified vulnerable consumer groups in Cagayan namely: Out of school youths/Unemployed and persons with disabilities.

Older consumers have traditionally been considered a vulnerable consumer group attributed to their perceived diminished decision-making skills due to cognitive impairment that many older adults experience. Indeed, research shows elderly consumers struggle more to process large amounts of information at a high pace, are less able to remain attentive and alert over long periods, and are less able to discriminate between relevant and irrelevant information (Duivenvoorde, 2015). And some findings suggest that the elderly are comparatively more prone to detriment than younger consumers in certain situations, e.g. when faced with scams and fraud.

Figure 2: Consumers' Awareness of their Rights

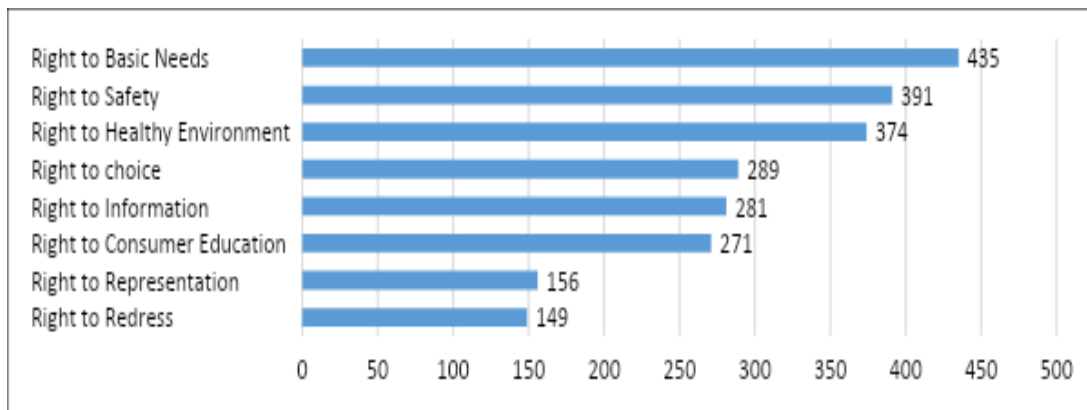


Figure 1 depicts consumer understanding of their rights. As shown in the figure, the right to basic needs received the highest response of four hundred and thirty-five (435), implying that participants are very aware of their rights to basic needs because this is a very common right accorded to everyone and that respondents are aware that with this right, consumers can look forward to the availability of basic and prime commodities at affordable prices and of high quality. The right of representation and the right to redress, on the other hand, with the lowest responses of 156 and 149, respectively, demonstrate that the participants have little knowledge of the existence of these rights, which may be attributable to the fact that they have little knowledge or lack the sources of information on the existence of such rights. Contrary to this, Falchetti, et., al, (2018) said that a lot of situations show that vulnerability is not the fault of the respondents as they also fall prey to situations that are out of their control. In his study, he examined the vulnerability perceived by blind consumers in the marketplace. The analysis of internal and external factors influencing the level of vulnerability and coping strategies of individuals reveals the interconnectedness of emotional well-being, social support that aids in consumption, acceptance, autonomy, and perceptions of marketplace challenges with their adaptive mechanisms.

CONCLUSION

Educating consumers is a priority and better awareness programs and strategies are required, especially to target vulnerable and disadvantaged consumers. The results underscore the importance of targeted interventions and educational programs tailored to address the specific needs and circumstances of these vulnerable sectors. It is evident that enhancing consumer awareness and empowerment within these groups can foster a more equitable marketplace, promoting their well-being and safeguarding them against potential harm.

RECOMMENDATIONS

Through identifying the challenges faced by these sectors in accessing and utilizing their rights, the research offers opportunities for policymakers, consumer protection authorities, and advocacy groups to develop targeted interventions and educational programs. The government needs to enact laws and policies with clear goals of protecting consumers' access to financial services and regulating business conducts. Enhancing consumer awareness and empowerment among vulnerable sectors can lead to more equitable market interactions and improved protection against potential harm. Overall, this study serves as a foundation for further research and interventions aimed at fostering a fair and inclusive marketplace for all consumers, regardless of their vulnerabilities.

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