

Role of consumer information in public policy



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Consumers today operate in increasingly complex markets, challenged by growing amounts of information and an expanding choice of products. Making sound choices and protecting consumer interests require a wide range of skills and knowledge. Consumer information is critical in this regard, it can be termed as the process by which we develop and enhance skills and knowledge to make well informed and reasonable choices that take societal values and objectives into account. This can help develop critical thinking and raise awareness, thereby enabling consumers to become more proactive. It is also an important vehicle for building the confidence that consumers need to operate in increasingly complex markets. This helps to encourage the concept of consumer sovereignty whereby individuals and households are able to decide for themselves what they want to buy and consume. To add onto, this consumer information in the twenty first century covers more diverse areas than it has in the past. It now covers, for example consumer rights and obligations and sustainable consumption among others in order to enable them develop better decision making skills throughout consumer lives.

Information is the transmission of message from a sender to a receiver via a medium or channel of transmission. In general, information in a company is designed to make consumers aware of the product. Communication and information is the unique tool that marketers use to persuade consumers to act in a desired way. Communication takes many forms: it can be verbal, visual, or a combination of both in a desired way. Communication can invoke emotions that put consumers in a more receptive mind frame, and it can also be symbolic. It can influence purchases that help consumers solve problems

or avoid negative outcomes. In short, communication is the bridge between organizations and consumers and between consumers and their socio-cultural environments. If I would borrow from the Law of Parsimony, which requires an explanation of phenomenon of human behaviour with a minimum of assumptions and maximum of conceptual precision. Information paints a perception and hence influence particular trends and desire to purchase onto the consumer.

On the other hand, public policy is a system of courses of action, regulatory measures, laws and funding priorities concerning a given topic promulgated by a government entity or its representatives. Public policy is commonly embodied in constitutions, legislative acts and judicial decisions.

Vigorous competitions lies in the heart of a dynamic economy, and markets rely heavily on active and informed consumers to drive competition. Thus, countries should entrench within their constitution proper guidelines pertaining to issues including economic regulations, confidentiality or privacy of information, information security, and access management and regulating how the dissemination of public information occurs. For as Susan Edgman-Levitan and Paul Cleary noted in their paper that “ little is actually known about what kinds of information consumers need to make decisions.”

A clear understanding of consumer information needs can be summarized by four main things:

- Functionality of a product or service
- Benefits and risks accrued from the consumption of the product or service

- Costs incurred in the utilization of the commodity
- Past evaluation of the nature and utility of the product

Functionality of a product or service

This would involve functional parameters especially when pertaining to products whereby specific qualities of great importance determine the value of the product. Such qualities involve availability, maintainability, reliability, flexibility and so on. These factors greatly influence the functionality of a product and hence will impact on the consumer's choice of product among competitive others.

Benefits versus risks involved

The consumption of a product or service involves some benefits and at the same time certain risks. These should be clearly illustrated without any exaggeration or understatement. For example the nutritional benefit accrued from the consumption of a particular brand of food should be clearly labeled. Other issues such as long term effects, allergies and potential dangers should be well documented in order to leave the consumer choose from his or her own preferred matrix.

Cost

Financial ability determines the position of the consumer prior to consumption. This should be clearly demonstrated and well explained to the consumer prior to making decisions. As in the case of making financial decisions such as loans, all hidden costs should be exposed and the time

value of money explained in detail in order for the consumer to undertake the decision with an informed mind.

Past evaluation

Independent evaluations of a product have great significance on the consumer behaviour. Psychological attachments to a commodity that is well performing in the market will draw an aspect of mob psychology in decision making. Thus information such as audited financial statements should be made public for consumers who may want to invest in the company's shares.

Moving on to consumer empowerment. Just to mention on the findings of several studies is that, the other side of a sense of control or empowerment for example, is one of no control, helplessness. Back in the early 1960s for example, Martin Seligman, now a doyen of the positive psychology movement, conducted some tragically sad experiments on dogs. He punished the poor animals with small electric shocks for whatever they did, 'good; or 'bad'. Eventually, they just gave up. For example, when they were placed in a position where they received electric shocks they didn't move away, even when they could. As Seligman put it, they had 'learned helplessness'- a phenomenon he later linked to human beings. Thus borrowing from this, then institutions should be put in place in order to coordinate consumer empowerment. The message of the findings was simple, in my view, a sense of empowerment or control is a powerful emotional benefit in its own right. On the other hand, with the unending need of consumer information and the fact that confident, informed and empowered consumers are the motor of economic evolution, then

governments should formulate consumer policies that aim at protecting the consumer needs and preferences. This can be achieved by implementing the following:

1. Adoption of a strategic approach towards consumer empowerment.

In order to achieve maximum gains in consumer empowerment then the government should put consumer empowerment an explicit strategic goal towards its development goals. This will enable quantitative measurement on the progress and hence enable corrective action be taken to respond to the need of improvement.

2. Ensure there is adequate generic information provision.

Despite the expansion of general materials in some spheres, but also ambition to streamline provision through the advice sector in joined-up way that cuts across regulatory boundaries.

3. Share data on open access platforms.

Governments should ensure that data about providers be easily accessible to the consumers in order to enable the consumer to be well aware of the provider's products prior to engagement thus empowering the consumer with adequate knowledge.

4. Strengthen choice tools that consumers can trust them.

Building consumer confidence is the key towards empowering the consumers. Hence, the choices provided by the markets should be of equal standards. This can be achieved by having an independent body which would evaluate the providers and the information they give to ensure that they

give true and fair information thus enabling the consumer to make free and independent choices.

5. Make careful use of information remedies.

It has been the norm that regulators require providers of goods and services to provide consumers certain information which has a range of useful purposes, but there is limited evidence as to the effectiveness of these approaches

6. Open up data about regulatory performance.

Regulators should open up a wide range of complaints and performance data that they collect about businesses to inform consumer choice and give powerful incentives for providers to behave fairly. Regulators should also reflect on the possibilities and limitations of transparency as a regulatory tool

7. There should be a body entrusted with consumer advocacy and information campaigns.

The government should set up authorities charged with the task of representing the consumers and more so, provide platforms whereby the consumers can be educated and informed of their fundamental and inherent rights, this may be carried out through information campaigns. There should be also way in which consumers can obtain easy access to redress even in cross border cases.

8. Reducing complexity of the consumer landscape.

This should be taken into consideration in order to reduce information gap and thus empower the consumer.

9. Draw on insights from behavioural economics.

A lot should be taken into account when coming up with regulations about the consumer, and hence there is need of putting the consumer the center of the plot. Hence then economic behaviour of the consumer should be well studied and understood in order to have regulations that best suit the consumer..

10. Take targeted action to empower vulnerable consumers.

There remains a need for consumer advice and representations to protect the most vulnerable consumers including the elderly and very young, who may not be able to access or interpret information.

11. The regulators should review their policies and update periodically

In order to be up to date with emerging trends and better solutions then research and innovation on the part of the regulators is inevitable.

Having implemented the various recommendations then the consumer would be able to obtain a number of advantages including:

1. Confident and well informed consumers have a key part to play in ensuring the effective functioning of markets. Where they are able to make fully informed decisions about products and services, this can, in turn, reduce the dependence of regulators on more formal approaches.

2. Information provision can yield dividends; for example, where transparency helps to highlight good and bad practices, so that consumers can make an informed choice.
3. Information especially on food products will yield a healthier diet choice and hence an energetic nation yielding to improved economic growth especially in the developing countries whereby manual labour is still the order of the day.
4. Consumer information would enable consumer understand their rights and privileges when it comes to purchasing even across borders as has been the case with the world being reduced to a global village.
5. Information to consumers would also enable consumers have avenues where they can launch complains and seek redress on matters that affect them either directly or indirectly by the consumption of a particular commodity.
6. Consumer information results to consumer empowerment which on the other hand forces the providers to become more innovative, increases responsiveness to changes in the market place and accountability in order to keep up with the competition in the market.
7. Greater product choice has been a consequence of consumer empowerment. Once upon a time, empowerment was limited to choice between a quite limited set of products in a quite limited set of categories. (you might be able to choose which bar of chocolate to buy but not what school or hospital you went to, which telephone company to use and so on) however with the current sources of information ranging from newspapers, magazines, books, television channels, radio stations and internet. So much so that consumers are not only able to

choose products and services, but also the information they would use to make decisions about these products and services.

Consumers are the key towards economic development from the mere fact that through their consumption, varied needs and desires companies are able to convert raw materials and add value towards them. This is the basic reason why we would wake up early in the morning despite the harsh weathers and faithfully report to offices or yards with the hope that the fruits of our labour are later on going to be consumed by someone. Hence, consumers come first in our day today activities and we cannot ignore but furnish them with all the information deemed necessary. Just as a servant would be submissive to his master.

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