UNIT 5 ETHICAL PRACTICES IN PRODUCTS II

Structure

5.0 OBJECTIVES

After studying this unit, you will be able to:

- Explain ethical practices in products with examples;
- Identify various challenges of ethical practices in product;
- Understand the overall benefits of ethical practices in products;
- Explain the social responsibility in product packaging;
- Undersand the meaning of product warranties and customer support.

5.1 INTRODUCTION

Govt. of India has laid down various rules and regulations relating to different products in retail. On the top of its awareness of such laws and implementation as per laid down rules and guidelines, its compliance is a challenge. What we find is that the companies just do superficial set of work just to show that they are following rules and regulations. In real sense, implementation and compliance is very poor as many companies do not treat this as a needed work toward social responsibility for maintaining ecological balance through environment protection. In this unit, we shall learn how companies are befooling and managing the system. Generally the larger companies follow these rules, but the smaller companies are still not implementing the rules and regulations. It is absolutely necessary to have some regulatory body to control and implement the laws

5.2 COUNTERFEIT PRODUCTS: CHALLENGES AND ETHICAL IMPLICATIONS FOR RETAILERS

Firstly, let us understand with clarity, what is the meaning of counterfeit products. Counterfeit product means to imitate a product which is genuine and authentic, with the intent to steal the product market, destroy the genuine brand, or replace the original brand with counterfeit product, for use in illegal transactions, or otherwise to deceive individuals into believing that the fake is of equal or greater value than the real thing.

Counterfeit products are called fake products or illegal replicas of the real product. Counterfeit products are generally manufactured with the intent to take advantage of the superior value of the imitated product.

The word counterfeit refers here to fake documents as well as the imitations of items such as watches, sunglasses, cosmetics, clothing, handbags, shoes, pharmaceuticals, automobile parts, mobile phones, laptops, unapproved aircraft parts (which have caused many accidents), electronics and electronic parts, software, works of art, toys, and movies. It also includes any replica of genuine products say fragrances, perfumes,etc. Counterfeit products have fake logos, similar packaging like genuine products. It is infringement of trademark and patent, etc. They are of very poor quality, last lesser than genuine products, contain toxic non-genuine material. The producers of the counterfeit products are not concerned with the customer health. They just sell the product in the market to earn money.

The counterfeiting of money is the biggest problem in the world; today every country is fighting against that.

Challenges and ethical implications for the retailers

The main business of retailers is to sell multiple products to the consumers. Today every retailer is trying to grab maximum market share by expanding rapidly through their chain of stores. They deal with thousands and lakhs of stock keeping units (skus). It is difficult to track every vendor whether a product is manufactured ethically or not.

We are now concentrating on counterfeit products supplied by the vendors or brands. Generally organized national players have a robust process of recruiting vendors for their retail business but small players in the market or shops in smaller area generally are having lot of counterfeit products.Today retailers are under pressure to onboard vendors who are following ethical production processes leading to reduction on carbon emission. In India, small areas or villages or small towns are more prone to counterfeit products as small players find easy market due to unaware population.

Retailers these days ask all the necessary regulatory documentary proof, for example- company registration certificate, GST certificate, compliance in MCA filing if they are Pvt. limited or public limited company, sometime company bank statements, trade licenses, trademark, or patents if any to safeguard on counterfeit products and regulatory compliances. They also take declaration in the form of affidavit that their production process is ethically managed. They sometimes visit the factory if a brand is big to check their claims on the ground.

The main challenge here is if a customer identifies a product as counterfeit product, then the whole liability comes on the retailer as he is selling the product. Brand image gets impacted. Specially in the case of food products in India, we have FSSAI food and safety license. Here manufacturer gives warranty to the retailer, but retailer also must get FSSAI license and ensure the product sold by them does not have duplicate or counterfeit products. Retailers are also penalized by the courts in case of non-compliance. The best way for retailers is to ensure that they must have robust vendor onboarding process, and keep checking it from time to time and do regular audits to have best of the products in their retail shop.

5.3 GREENWASHING: MISLEADING ENVIRONMENTAL CLAIMS ABOUT PRODUCTS

What is Greenwashing: It means misleading marketing and advertisement practices used by companies from time to time to showcase their products that are very environmentally friendly and sustainable than actual they are. Companies make claims which are very exaggerated. Sometimes customers are trapped by such claims and later they realize their mistakes. These companies focus heavily on misleading marketing, sometimes using celebrities also. These companies use ecofriendly campaigns to sell their products. Now let us understand which are these companies. These companies are in the field of Automobiles, Fashion clothing, Furniture, Electronics goods manufacturing, Skin care products like, etc.

Now let us understand the tactics and examples of greenwashing as follows:

Companies Do Vague or Generic Environmental Claims: Companies may put terms like "green," "eco-friendly," or "natural" without giving any clear details to establish the authenticity of the claims. Sometimes these products are not tested by the agencies to ensure right product manufacturing .

Imagery and Symbolism: Companies very smartly put symbols which make the product look authentic, for example images of green leaves, nature, mountains, or other symbols resembling authentic on packaging and use the same even in marketing communications or materials to establish environmentally friendly product line.

Hidden Deception: Companies promote environmentally friendly approach by using recyclability factor to show to the world that they reduce energy consumption which is in fact much lower than the industry could do. It is deceptive to show false claims.

Unrelated Claims: Many a times, companies make many statements about the product attributes. Sometimes these are deceptive,for example CFC free when CFC was banned many years earlier. Plastic ban has come into effect now, and if a company puts wrong claim related to the banned plastic, then it is called irrelevant claims.

Missing Third-party Certification: "Generally greenwashing companies will never have certification from the reputed approved organization to support their environmental claims, for example certified organic, energy star or ISI mark claims.

Wrong Claims of Product Content: Companies use synthetic material but claim the use of all natural or organic material. This is a misleading and deceptive approach to fool customers and the environment-controlling agencies.

Jargon and Confusing Buzzwords: It is using scientific or technical language to create the illusion of environmental expertise without providing substantial information. Sometimes companies use scientific or highly technical language in their packaging which many a times customers are not able to understand. This is also a deceptive and misleading communication to the customers.

India does not have specific advertising regulations governing greenwashing. However, its advertising regulations are drafted widely enough to prevent the practice of making misleading or false claims in advertisements. Larger companies which have many customers in the market generally are afraid of doing deceptive communications as it affects their brand image .

Regulators' Take

While product-level greenwashing through misleading advertisements and unfair trade practices has often been taken to task by the government and its department of consumer affairs, the macro-greenwashing phenomenon remains hidden in the garb of ESG disclosures. The Securities and Exchange Board of India (SEBI), through a series of piecemeal regulations since 2012, has been able to push for mandatory ESG-related information among the top 1000 listed companies from the Financial Year 2022-23 (FY23) onwards. The 'Business Responsibility and Sustainability Reporting' circular (BRSR) by SEBI in 2021 introduced several principle-based performance indicators, wherein the concerned Principle 6 pertains to the protection and restoration of the environment by Indian entities. These voluntary disclosures include information related to energy consumption, water usage, carbon emissions and waste generation. The role of Reserve Bank of India (RBI) through proper monitoring and screening in identifying the “green washers” is significant in a bid to scale up sustainable finance and credit facilities in green projects. Recently, the RBI collaborated with the Global Financial Innovation Network (GFIN) along with other international regulators, aimed at mitigating the risks of greenwashing in financial services.

Source: https://www.business-standard.com/opinion/columns/greenwashing-in-india-inc-environment-scores-create-a-sense-of-suspicion-123100400364_1.html

The industries most affected due to counterfeit products are footwear – 22%, Clothing, 16%, Leather Goods -13%, Electrical equipment -12%, Watches 7%, Medical equipment -5%, Perfume, and cosmetics – 5%, Toys – 3%, Jewelry – 2%, pharmaceuticals – 2% and other industries 12% (These figures have been collected from the customer seizures information therefore does have domestically produced and consumed counterfeit products. (Source Statista).

5.4 PRODUCT OBSOLESCENCE AND PLANNED OBSOLESCENCE

Product obsolescence and planned obsolescence are two inter-related concepts that control the lifespan and longevity of consumer products in an industry in India or the world. They generally describe different aspects of how and why products become outdated or need replacement.

Product Obsolescence: Product obsolescence happens when a product becomes outdated and less functional due to multiple factors, such as technological advancements or change in consumer behavior or improvement in design or look and feel of the product, etc. It is generally a natural process within the market without any intention to remove the product from the market. For example, after smartphones came into market, older mobile phones became obsolete; when mobile phones were launched, pagers were out of the market. When windows 11 is launched, slowly and slowly windows 10 will become obsolete. Here companies try hard to promote the product sales but when they see the above factors strongly emerging in the market, then they are forced to stop the product.

Planned Obsolescence: Under the planned obsolescence, companies plan the life of the product deliberately. It is designed for a limited time where the intention is to keep selling the product over a period to generate more sales and profits. Planned obsolescence is of many forms which we will discuss below. Many consumer electronics are designed to make it impossible to repair them or replace parts. Sometimes it is physically impossible because the product carcass cannot be opened without breaking it or the pieces are welded together to prevent replacement. The products here are built to fail after some time. For example, Chinese products are cheaper and dumped in Indian market with a planned obsolescence strategy.

a. **Functional Impact on Obsolescence:** In the functional obsolescence, product stops working after a particular period or usage. There are many examples like Television sets which stop working and repair too is impossible. Certain printer models after a certain usage stop working and the company also stops supporting the product. This example is true in the case of electrical products also available in the mass market.

b. **Technology Impact on Obsolescence:** Technology is advancing; sometimes a product is obsolete because of technology advancement, then mostly companies adopt new technology products and stop manufacturing previous ones. It is the general practice followed by most of the companies.

c. **Obsolescence Due to Change in Styles (fashion industry):** Merchandise or Products are designed to go out of style or fashion quickly. Generally, fashion changes fast and change in trends always encourages consumers to replace them for aesthetic reasons.

d. **Product Incompatibility Obsolescence:** Companies make products intentionally incompatible with new accessories, parts, or software, which forces customers to upgrade to new version of the product. Example is proprietary connectors or operating systems that are not compatible with other devices.

Planned obsolescence is a controversial practice because it can lead to environmental concerns, as discarded products contribute to electronic waste and resource depletion. Many consumers and governments have called for greater transparency and regulations to combat planned obsolescence and promote more sustainable product design and manufacturing. Planned obsolescence is a problem area for the Govt. of any country as it mandatorily leads to forced usage of the product due to company policies. It leads to environmental concerns as carbon emission levels go up when similar or advanced product is manufactured, and hence more transparency is required from the companies in this direction.

Check Your Progress A

1. What is counterfeit product?

2. What is greenwashing?

3. Explain the difference between Product Obsolescence and Planned Obsolescence.

4. Explain social responsibility in product packaging.

5. Which of the following statements are **True** or **False**?

   (i) Counterfeit products are called fake products.

   (ii) Companies very smartly put images of green leaves, nature, etc. to resemble authenticity on packaging.

(iii) Jargons are not used to mislead customers.

(iv) Footwear industry is affected due to counterfeit products.

(v) Planned product obsolescence creates environmental problems.

5.5 SOCIAL RESPONSIBILITY IN PRODUCT PACKAGING AND WASTE REDUCTION

Social responsibility in product packaging and waste reduction is an important activity in sustainable business practices. It involves a commitment from company leadership team to work on reducing the environmental and social impact of packaging materials and waste generated by products in reducing carbon emissions levels in India. We will discuss below some of the key aspects to make you understand the topic in detail.

- **Packaging Materials Recyclability**: It is necessary to work consciously on environmentally friendly materials in product packaging, such as biodegradable or recyclable materials. It helps in reducing carbon emissions levels substantially. Recyclable and biodegradable products save the country from negative impact of the environment changes. Excessive use of plastic should be avoided and alternatives like paper, cardboard, glass, or metal should be opted.

- **Product with Minimum Packaging:** While manufacturing the product, it is necessary to ensure that the packaging numbers in a bundle of one product is minimal. Over packaging increases waste and carbon emission levels as well.

- **Packaging Instructions on Recycling and Reusability:** For customer information, every packaging label must have recycling symbols and information on how consumers can dispose of the packaging safely. This encouragement is needed to push customers to dispose correctly the packaging leftovers.

- **Single-Use Plastics Reduction:** Take a pledge as a company to reduce the use of single use plastics. Alternative materials which are biodegradable should be used. For example, customers should be encouraged to use paper bags instead of plastic bags.

- **Reducing Food Waste at Retail or FMCG Industry**: In the food retail industry, use packaging solutions that extend the shelf life of the products; reducing food waste is an important objective to eliminate wastage. A longer shelf life can also reduce the need for preservatives. Use quality preservatives in the food business.

- **Transparency in Communication:** Companies should have transparent communication to all the stakeholders on the choice of the packaging and waste reduction objectives. They should communicate to the customers also with full transparency and let the customers decide with informed choice.

- **Business Partners Collaboration:** Today the time has come to work with all the stakeholders who contribute directly in manufacturing and packaging. It is advantageous to educate the stakeholders and work with them to build an ecofriendly packaging and eliminate waste in the manufacturing cycle.
- **Eco-friendly Printing Process:** This way the whole environment can be protected from the use of harmful chemicals.
- **Regulatory Compliance by Companies:** Companies must always stay informed about Indian and international regulations related to the packaging and waste management. It must be ensured that companies practice compliance with these regulations.
- **Education and Awareness:** Educate employees about the importance of the responsible packaging and waste reduction. This will build the ecofriendly culture within the organization and encourage responsible consumption and disposal habits with the employees of the company.
- **Measuring KPI's:** Tracking the effort within the organization is a key factor. Establishing the KPI’s and tracking the efforts of packaging in reduction efforts must be tracked periodically.
- **Use Innovation in Product Packaging:** Having new technologies through continuous research and innovation in packaging solutions will always make the company ahead from the competition and initiative to build carbon credit for the company.
- **Corporate Social Initiatives:** Build the corporate solution responsibility and initiatives of building ecofriendly packaging and reducing wastages. This practice will build initiatives of sustainability by the companies in their business strategies.

5.6 PRODUCT WARRANTIES AND CUSTOMER SUPPORT

The companies’ product warranties and customer support play a crucial role in building products ethically.Building the product ethically with right product warranties and customer support requires transparency, right processes, professional trainings to customer support team. It should work as a continuous process. Product warranties document must be carefully made considering country specific laws.

Product Warranties Related Transparency: Post production of product warranties are built for the product which must be carefully made considering long term association and brand image of the company. It should be legalized in nature and must have written in legal language which should be easily understood by the customers, and must have covered clauses of product warranties.

Company Name

Address

Phone

Email

WARRANTY CERTIFICATE

WARRANTY

Customer Name ____________ Address ______________ Model No. _________ Serial No. ___________ Manufacturer _______________ Warranty Start Date _____ Warranty End Date _______.

We hereby guarantee and warrant all products owned. for the period time the product in possession of the owner XYZ Limited will repair and replace defective component which will be no additional charge to the product owner.

Date ______________________________

Signature __________________________

Figure 5.1: Specimen of a warranty card

Source: https://techguruplus.com/material-warranty-certificate-format/

Overhyping in Marketing: Ethical product development and marketing is on a platform of transparency and truthful representation.Overhyping about the product in the marketing should be avoided, as giving false claims in the market kill the brand. It is not right to exaggerate durability or any other feature .

Quality Assurance to Product Sold: Postproduction quality check department must check the product quality batch wise; stringent tests are required as per laid down quality check process. When product is manufactured with due care, then product warranties issue do not come up.

Reasonable Warranty Durations: The warranty card must be issued for a defined period. It must give some information about the product usage and precautions also. Misleading or unclear warranty clauses and long warranties may be avoided.

Responsive Customer Service Department: Companies must try to provide efficient, responsive, and effective customer support. Ethical product development requires quick address of the customer concerns, related to defects, general questions, or general assistance on usage or warranties.

Repair vs. Replace Product Issues Policies: Sustainability goals may be achieved when companies manufacture or replace less products than repair. These days, companies have built policies of warranties in such a way that they prefer to replace the product component . In case repair is not possible under warranty, then only company replaces the product which happens in a rare and genuine case.

Consumer Feedback Mechanism: Companies regularly must be collecting information pertaining to customers' feedback, and extend helps in the identified areas where the product can be improved. Ethical companies seek to enhance their products based on real-world usage and customer feedback.

Extended Warranty Pricing: Companies must charge a fair price for extended warranties. Companies must plan a cautious role not to exploit customers with exorbitant fees for warranty extensions.

Customer Data Privacy and Security: While interacting with the customers, companies do collect lot of information about the customers. Companies must play an ethical role in managing customer data privacy and security. It should never be shared with the third party companies without customer's consent.

Easy Accessibility of Companies' Offer: Customer service support should be available to all the customers whether buying less or more regardless of the products they buy. Also, they should be supported in multi-language customer support.The customer support must be connected to multichannel customer entry points. Customer must feel user-friendly approach of the company.

Offering Community Engagement: Engaging with the local community and demonstrating corporate social responsibility is a key in building relationship. This can be done through local charities, environmental initiatives, or educational programs.

Ethical product needs a comprehensive approach in building the product with good quality, ensuring product cycle, providing best of warranties with lot of fairness, honesty with sustainability in mind. To build the brand reputation, quality product, fair warranty policies and honesty in overall approach are the key factors.

5.7 PRODUCT DEVELOPMENT AND SOCIAL IMPACT INITIATIVES

Every product that a company develops is consumed in some market whether in the local geography or anywhere in the country. It comes with its own life-cycle and the product shows strength when it is widely accepted by the customers due to its good quality, meeting their needs, and sometime aspirations also. When a product is developed with social impact in the mind, then it should reflect this in the vision, mission, and objectives of the company. For example, if a hospital is to be built considering the mission to serve poor people, then the hospital as a product should be revolving around location, low pricing, and good quality doctors, because here the mission is to serve the people at minimal cost. Similarly, for the other products at the designing stage, this question is supposed to be asked and answered with truth to build a needed product.

Social impact is the positive or negative effect that the company product has on people and the planet. It can be measured by various indicators, such as environmental sustainability, social justice, human rights, and community development.

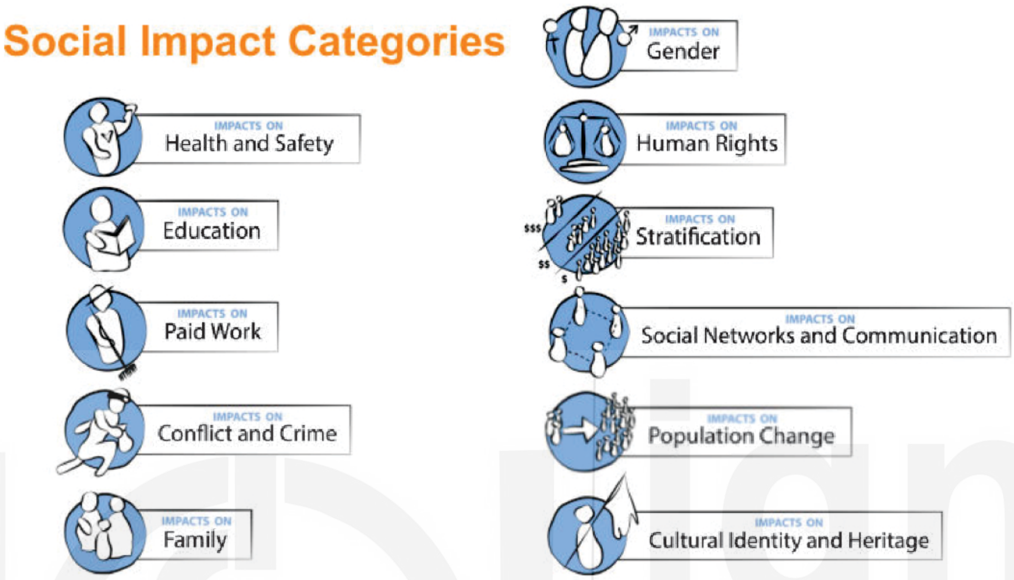

Figure 5.2: Impact of the product development on different social groups

Source:https://www.designreview.byu.edu/collections

Any product, if it falls in the above categories of the product line, helps in educating the people, changing the way product is consumed with merit, and elimination of problems with the usage of new product by people of the country. It may also emerge as a product which is solving unresolved problems. For example, WhatsApp has solved the short distance and long-distance problem of communication; till a few years back who had thought that people will be connected across the globe with just a click of a button. It is quite true that new products solving social problems come with the adoption of newer technologies. It may be envisioned that in times to come more technological benefits will be used by the people in this era.

5.8 PRODUCT TESTING ON ANIMALS

Product testing on animals means the use of animals in experiments to check the safety, efficacy, or potential risks of the products on humans.In industries such as cosmetics, pharmaceuticals, chemicals, and medical devices, such experiments are done. Though this is controversial and the subject of ethical, scientific, and legal debates, but companies are in practice to use the product first on animals than humans.

Let us discuss some pointers about the products tested on animals.

- **Focus on Common Animals for Testing:** There are many animals which are used for product testing,which include monkeys, rats, mice, rabbits, guinea pigs, dogs, cats, and non-human primates. The choice of species depends on the specific requirements of the test and nearest match to humans' blood.

- **Different Tests on Animals:** The tests on animals are done for checking the efficacy of new drugs or medical treatments. These tests may include skin and eye irritation tests, acute and chronic toxicity tests, carcinogenicity studies, etc.

- **Animal Testing &Ethical Concerns:** Doing drugs tests on animals are considered cruel as it impacts animals negatively during and post the test. Sometimes these animals die also during the testing stage. Animal protection community is quite concerned.

- **Alternatives to Animal Testing a Good Option:** Due to the advancement in science and technology, companies are making effort to check the product on humans'trials as well with their consent. Also, sometimes do vitro tests on human cell cultures; computer modelling is also an option available.

- **Regulations and Laws of the Countries:** Many countries have regulated the testing by directing companies to take care of all the animals in a best possible manner during the trail test and post-trial tests whenever possible.

- **Animal Testing Phasing Process:** Countries are phasing out the process of testing on animals in some industries. For example in Europe, cosmetic products testing on animals has been banned in 2023. As companies are presenting in the market in a best possible manner, many companies have dropped the idea of testing products on animals voluntarily.

- **Medical Industry Requires Research:** Animal testing remains an important component of the medical research and drug development, especially when studying complex diseases or potential life-saving treatments. The use of animals in medical research is a subject of ongoing debate and scrutiny.

In summary, testing on animals is facing growing voices of concern. Advancement in technology now may help companies to look for alternative methods with safety. There are pros and cons also in animal testing. The community favouring the testing on animals argues that humans are the most advance species on earth,so we cannot compare animals with humans.For the safety of humans specially from diseases which have no cure or limited cure, animal testing may help the human kind a lot. When it comes to cons, community keeps harping on equalization with humans and lot of debate is done to reduce cruelty by stopping animal testing which is a fair point as well.

5.9 PRODUCT ENDORSEMENTS AND BRAND PARTNERSHIPS

Product endorsement means that a person is recommending the company product to the mass customers through marketing campaigns. Generally, this is done by celebrities in the film and TV industries, cricketers, models who are popular, singers also. YouTube influencers influence the demand through their product endorsement videos. All the stakeholders making such endorsements doit for money considerations. They never check whether the product is manufactured ethically or not. It is a big concern today as the youth and other customers believe what the popular celebrities endorse. We have seen wrong products being promoted and the promoters having legal cases related to these products. For example, GUTKA manufacturing companies use popular film stars to promote the product, although GUTKA may cause cancer. So there is a strong debate whether these endorsements should be permitted or not. Is it ethical? Sometimes we have even seen that celebrities stop such controversial endorsements also. Also, in the brand partnership companies do tie up with other brand to do business together.For example, having franchise of a reputed brand help companies to build their dealer network. Let us do a detailed understanding on brand partnerships.

- **Content Partnerships:** Content Marketing means brands can collaborate with each other through content projects. They can work together to co-create the content like article, blogs, podcast, videos and infographics, partner website, SEO. For example, a travel agency company can contact a leading travel website to create an article or blog talking about the most exciting cities to visit for families with children during vacations.This article can feature links to the travel agency's current deals or packages for those cities.

- **Distribution Partnerships**: A distribution partnership means when two companies work together under an agreement to offer their branded products as a packaged deal or like a bundle offer. For example, a Grocery store or a fashion store may offer movie tickets on certain purchase within the retail store and in return movie company will get visibility about their upcoming movies or booking from the retail store itself.

- **Sponsorship Partnerships**: Companies significantly increase their exposure by doing sponsorship partnership. The company gets visibility and brand image and new customers may be acquired with this kind of partnership, for example, a school sponsoring Durga Pooja Festivals, Ramlila event sponsored by good brand. Companies get lot of customers in this process. It is also one way reminding game to customers to consume the products. Sometimes companies do offer some on the spot schemes also.

- **Charity Partnerships**: Charity partnerships occur when a company endorses or collaborates with a charitable organization. In this partnership, both the companies and the charity organizations benefit. While charity organizations get some funds to raise awareness or use funds for their cause, company doing partnership gets customers visibility and brand awareness in the marketing.

- **Joint Product Partnerships**: When two companies collaborate or work together to create a new product, they form a joint product partnership. This work creates power in the product. For example, Samsung did a tie up with Android software many years back. This led to increase in popularity of mobile phones, touch screen became popular, changed the industry dynamics and increased market share of Samsung and Android both. Both the companies got the benefit in the joint product partnership.

- **Product Placement Partnerships**: Companies can participate in product placement partnerships by placing a branded product in a movie or TV show. The best example is Hyundai giving gifts to winners of Kaun Banega Carorepati. Hyundai gets visibility as crores of viewers watch and relate with the brand. This way the company sells more cars and gets brand image and program organizer gets high value gift and additional marketing funds, etc.

- **Licensing Partnerships**: A licensing partnership is when a company allows other businesses to produce goods using its brands, such as logos or intellectual properties. This partnership can benefit businesses, as selling a branded product increases their exposure and sales. For example, a TV brand getting the product manufactured from third party manufacturers under their brand, a juice company manufacturing products for some other brand in their name.

- **Influencer Partnerships**: An influencer is somebody (individual) who has a large follower base through the social media platforms. Viewers listen to the individual regularly; his opinions and content can influence others to invest in a particular product or participate in an activity. Companies can collaborate with influencers to promote a new product, raise brand awareness, and potentially attract a new audience. This is happening mainly in TV, Print and social media platforms.

  Again, what matters the most here is that the partner who is working with the company must have clean image, no legal issues, etc.,and wrong endorsements is to be avoided as it may create serious implications to the company. Besides a cost-effective way to promote business jointly, it builds brand image and growth in revenue.

Check Your Progress B

1. Explain social responsibility of the company related to packaging?
2. What is consumer data security and privacy?
3. What is social impact initiative for product development?
4. What is the alternative to product testing on animals?
5. Which of the following statements are **True** or **False**?
   (i) Bio-degradable material is a good alternative to single-use plastics reduction.
   (ii) Product warranties document must be carefully made considering country specific laws.
   (iii) Social impact is the positive or negative effect of the product on consumers?
   (iv) Medical industry requires testing of drugs on animals first.
   (v) In Charitable partnerships, only companies benefit.

5.10 LET US SUM UP

Govt of India has laid down various rules and regulations relating to different products in retail. On the top of its awareness of such laws and implementation as per laid down rules and guidelines, its compliance is a challenge. Counterfeit products are called fake products or illegal replicas of the real product. Counterfeit products are generally manufactured with the intent to take advantage of the superior value of the imitated product.Companies make claims which are very exaggerated. Sometimes customers are trapped by such claims and later they realize their mistakes. These companies focus heavily on misleading marketing, sometimes using celebrities also. These companies use ecofriendly campaigns to sell their products. These companies are in the field of Automobiles, Fashion clothing, Furniture, Electronics goods manufacturing, Skin care products like, etc. Product obsolescence and planned obsolescence are two inter-related concepts that control the lifespan and longevity of consumer products in an industry in India or the world.Social responsibility in product packaging and waste reduction is an important activity in sustainable business practices. It involves a commitment from company leadership team to work on reducing the environmental and social impact of packaging materials and waste generated by products in reducing carbon emissions levels in India. Building the product ethically with right product warranties and customer support requires transparency, right processes, professional trainings to customer support team. It should work as a continuous process. Product testing on animals means the use of animals in experiments to check the safety, efficacy, or potential risks of the products on humans. In industries such as cosmetics, pharmaceuticals, chemicals, and medical devices, such experiments are done. Though this is controversial and the subject of ethical, scientific, and legal debates, but companies are in practice to use the product first on animals than humans.Product endorsement means that a person is recommending the company product to the mass customers through marketing campaigns. Generally, this is done by celebrities in the film and TV industries, cricketers, models who are popular, singers also.

5.11 KEY WORDS

Ecological Balance	: A practice, policy, product, etc. planned to cause minimal damage to the environment.
Exaggerated	: Unrealistic
Hidden Deception	: To commit fraud in a concealed manner.
Incompatibility	: Opposite to the desired property.
Market share	: The percentage of total sales of a particular product achieved by a single company in a given period of time.
Robust process	: A method free from deficiencies.
Superficial set of work	: Any work that is meant only to show off and is not real.
To grab maximum market	: To achieve highest percentage of sales of a particular product.

5.12 ANSWERS TO CHECK YOUR PROGRESS

A 5. (i) True; (ii) True; (iii) False; (iv) True; (v) True

B 5. (i) True; (ii) True; (iii) True; (iv) True; (v) False

5.13 TERMINAL QUESTIONS

1. Why should there be ethical production?
2. Name companies involved in the animal testing of the products.
3. Search in the internet and find out the companies following ethical production process?
4. What is meant by content partnership? Explain giving examples.
5. What is the meaning of recyclability?
6. What is meant by obsolescence? Distinguish between product obsolescence and planned obsolescence.
7. Discuss the concept of product endorsement and brand partnership.

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