



International Journal of Economic Research

ISSN : 0972-9380

available at <http://www.serialsjournals.com>

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Volume 14 • Number 15 • 2017

Legislating Consumer Law in Malaysia and the Consumers' Apprehension

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Abstract: The Malaysian statute on Consumers' rights was the enactment of The Consumer Protection Act 1999 (CPA). The rise of consumerism and the rights of consumers witnessed a global development and closer to home was the ASEAN perspective of consumer's rights. In view of this, Malaysia saw the need for a specific statute instead of relying on the law of tort and contract as it was done in the past. Malaysia greatly relied on the English law which in turn was in harmony with the European Union directives. This action helped in setting international standards in consumer protection, in its endeavor to be in par with developed nations. A notable feature was in the area of strict liability especially with regard to safety standards of goods. The researchers dwelled deeply in the area of the application of the law and the apprehension of the consumers. A wide-ranging study was carried out that including the view of the public, to ascertain the area of concern by the consumer. The relationship of the consumer rights in the face of product liability, strict product liability, product guarantees and product negligence was examined and the outcomes were adduced. There were serious concerns of the public regarding the as a consumer in relation to the Consumer Protection Act of Malaysia (CPA 1997), particularly in the enforcement mechanism. The researchers considered the apprehension of the consumer in constructing a comprehensible conduit for legislators, the enforcement mechanism and the public to address the inconclusive relation of all the parties concerned.

Keywords: The Consumer, the Statute, the enforcement

INTRODUCTION

In Malaysia, the relevant legislation on consumer protection on goods and services is the Consumer Protection Act 1999 (CPA). So with regards to the liability in defective product, which is also known as product liability in Malaysia, has been greatly influenced by English law. Prior to this legislation, consumers had to rely on contract law (Contract Act 1950) and the Sales of Goods Law (Sales of Goods Act 1957) to

stake a claim on a defective product or services. Following the development of strict liability rule in UK, the National Advisory Council for Consumer Protection proposed the introduction of a strict product liability rule in Malaysia so as to fill up the lacuna in the existing laws to protect the victims of defective products. As a result, the proposal was later incorporated into Part X of the Consumer Protection Act 1999 as part and parcel of a comprehensive Malaysian consumer protection scheme. It (product liability law) had a significant impact on the standard of local manufacturing and supplying goods to consumers. Even importers of goods are also expected to measure up to the required safety standard which is on par with the local products when importing their goods into Malaysia. The law with modification follows closely the European Community Product Liability Directive 1985 implemented in member states as well as other developed and developing nations. It allows the respective consumers to enforce against their producers or importers by imposing compulsory standards on goods which are used for private purposes, thus increasing and maintaining the safety level of the products sold in Malaysia. This new law is in line with the emerging international standard.

Product Liability under Consumer Protection Act 1999

There are generally three ways in which a claim for defective product may be brought if the defective product has caused loss or injury as provided under the existing law. Firstly, there can be a claim for damages for breach of contract, where a contractual relationship is established by the parties. Secondly, there can be a claim in tort or negligence, taking into consideration the neighbourhood principle that was established in *Donoghue v Stevenson*¹ and under Part X of the CPA, a claim for reparation may also be established. Though a consumer may have legal recourse against the manufacturer or importer under the contract and tort law, it is extremely difficult to do this in practice as there is a need to show a contractual relationship between the parties and generally there is no privity of contract between the consumer and the manufacturer given that goods are largely purchased from retailers, while in the case of negligence, it is very hard to prove a manufacturer's fault. Therefore, the best way to obtain legal recourse would be by way of statutory action against the manufacturer or importer for defective or unsafe goods, regardless of contractual relationship.

As provided earlier, the principle of product liability is incorporated in the Part X of the CPA (from section 66 to 72). *Section 68* of the Act provides a statutory cause of action to a consumer to enforce against the following persons where the consumer goods are defective. Where person who represent himself by having his name on a product, or using distinguishable trademark will be deemed to be the manufacturer of the goods as defined under consumer protection Act. The term is also extended to importers of the goods

The cause of action by an aggrieved party is not dependent upon contract or tort and therefore there is no need to show a contractual relationship between the consumer and the manufacturer nor the fault on the part of manufacturer. However, this statutory liability does not prevent the party from claiming under contract or tort as per *section 68(7)* and therefore it is only added to and not a replacement for the rights prevailing under the current law. However, this section does not apply to the producers of primary agricultural products supplied to another where the products have not undergone any industrial process by virtue of *section 68(5)*.

Section 66 defines certain terms that are peculiar to the consumer law. "Damage" is defined as "death or personal injury, or any loss of or damage to any property, which includes land". "Producer" thus may apply to the following:

- (a) the person who manufactured it;
- (b) in the case of a substance which is not manufactured but is won or abstracted, the person who won or abstracted it;
- (c) in the case of a product which is not manufactured, won or abstracted but the essential characteristics of which are attributable to an industrial or other process having been carried out, the person who carried out the process.

Thus, it is clear that a producer includes a manufacturer, a person who mines or extracts products and anyone who engages in an industrial process in producing the goods.² “Product” means “any goods” and includes “a product which is comprised in another product, whether by virtue of being a component part, raw material or otherwise”.

Problem Statement

Under strict liability standards, once it is established that a product is defective, the manufacturer becomes liable, notwithstanding the fact the inordinate and excessive care were taken during design, manufacture, marketing, distribution and sale. (Larson, 2003).

Regulations related to product liability were created to help protect the consumer from the manufacturer/supplier of products. Product liability law has always put the manufacturers in a intricate position when it comes to old and new technologies. According to Herbig and Golden (1992) some of the earlier technologies were phased out to avoid legal suits being brought against the manufacturer not necessarily because of evidence indicating lack of safety or effectiveness. This has in some ways tied the manufacturer hands when it comes to innovation and improvement for fear of legal liability. In essence, product liability suits have affected current and future innovation efforts of entrepreneurs in the United States. (Herbig and Golden 1992). However experimental evidence has shown that the anxiety of product liability could have a negative impact on product innovation, but positively it could foster innovation in the quest for improving safety standard. (Clavaliere, 2004). According to Goodden (1995) the study of product liability creates new opportunities for corporate improvement and increases the profitability of the firm in a financial area that goes unnoticed.

Research Objective

The research is intended to achieve the following:-

1. To examine the extent of consumer awareness of their rights
2. The significance of Product liability in consumer rights against defective product
3. To find out the significance of Product negligence in consumer rights against defective product

LITERATURE REVIEW

Consumer protection laws are enacted to protect consumers from defective or dangerous products. Manufacturers are the life blood in a market economy as they produce goods and services for consumption. The main issue is Product liability, Strict Liability and Product Guarantee can influence consumer's rights against defective products; whether its existence helps in control and prevention of defective products in a market economy.

Consumer law establishes consumer's rights, generally by product guarantee or other consumer guarantees (Wisegeek.com). The reason why consumer rights are different is because of the jurisdiction. To enhance protection to the consumer who may face unfair practices or even fraud the laws are specially designed to prevent such occurrence and protect the innocent consumer of such unfair practices. (Sing, 2010). In 1962, U.S. President John F. Kennedy signed the consumer Bill of Rights, the first of its kind (Wisegeek.com). Since that time the consumer rights has developed and increased, in time it have been added by statute and proclamation all over the world.

Since the 1960s, consumer protection law has been built on the contracts between large "producers" and small "consumer" (Swire 2008). Consumer Protection law considers the body of law which can be used to protect the consumer. (Howells and Weatherill, 1996). Almost all states and the federal government have enacted law and set up agencies to protect consumers from deceptive or fraudulent practices (Hg. Org). The UN guidelines for consumer protection was adopted 9th April 1985. This was followed by directives to member states to enhance develop, consumer protection by effective regulations and policies. (Okwuzaiwe, 1968). In 1999, on 1st October, Malaysia's Consumer Protection Act of 1999 (CPA) came into effect.

A product is deemed to be defective, when it poses an unreasonable danger to the user, having a susceptibility for causing injury to the ordinary user, having the usual familiarity of the product's characteristics universally known to the foreseeable class of person who would normally use the product. Defects are broad in nature and can come from the manufacturing process, a design defect, a packaging defect, and/or failure to properly warn of known or apparent danger by (Boehm and Ulmer, 2008). According to Larson (2003) product liability claims can be brought under these categories depending on local law.

Product Liability

Product liability applies to all the parties involved in the manufacturing chain, the distributors, importers right up to the retailer.

Product liability is a concept used in consumer protection. (Aaron Larson 2003) Product liability law addresses of issues of defective product and the liability is extended to manufacturers, wholesalers, distributors, and vendors. Product liability is an overwhelming field of activity that continues to grow as the media publicises multi-million dollar awards in favor of the plaintiffs. (Goodden, 1995).

Prior to the development of the laws governing product liability, the consumer were at the mercy of the prevailing rule *caveat emptor*. (Kenneth. 2003) meaning *let the buyer beware*. This was indeed a shield in which the manufacturer was able to protect themselves from any liabilities arising from a defective product.

While this was an excepted practice then, and as products increased in complexity and sophistication, some manufacturers were able to take advantage of buyers by selling substandard, defective products to them. (Riswadkar, 1989). Manufacturers were in control of the quality and quantity of the product. At that time to recover or sue manufacturers for defective products was arduous process. Claims in damages were also unlikely. So the consumer had no protection and had to fend for themselves devoid of any judicial aid because of the lacuna in the law in this area. (Ryan 2003).

- I. Inadequate or non-existent consumer warning (44%)
- II. Inadequate guarding (27%)

III. Design defects (21%)

IV. Product defect (8%)

In 1993, a major insurance company studied 27 product liability cases involving its customers and found its losses had totaled almost \$ 10million. (Goodden 1995). The company attributed its losses to:

Product liability law regulates the liability of a seller or the manufacturer arising from a defective product (Vargo 1995). Although most manufacturers may not currently be involved in a product liability case, one or two sudden cases could easily knock a good sized company to its knees (Goodden 1995). Even today, when the basic principle of product liability have been as widely accepted by the courts that they are an essential part of society and business, there is still a section of the business society that express their apprehension of the law which they feel are an intimidation to the development of American business.

Strict Product Liability

The concept of strict liability holds that the manufacturer commits a fault simply by offering a defective item for sale (Thomas and Jeffrey, 2008).

The gradual development of the standards in strict liability commenced in the early 60's in the United States (Nelson and Drews 2008). The recent modification in the law of product liability has led to many challenges in the court. The shift of the burden of proof from the consumer to the manufacturer (including the extended meaning of a manufacturer as defined in the Consumer Protection Act) was major development in the protection of the consumer. The principle of strict liability is significant in that it focuses on the injury the victim has sustained, rather than quality of the product, which would mean that quality and safety of product however high they are, they are disregarded (Vargo 1995). The concept of strict liability had gained widespread support especially among development nations and the judicial acceptance was also significant in order for the smooth application of the law (Metzger, 1977). A major development of the law was it covered design defect, whereby a manufacturer may be held liable if a risk of injury arising from a product outweighs the product utility based on current design standard (Nelson and Drews 2008).

In 1988 strict liability was dominated by s 402A of the American Law Institute Restatement (Second) of Torts (1965) (Duncan, Geraint 2007), which states that,

“One who sells any product in defective condition unreasonably dangerous to the user or consumer or his or her property is subject to liability for physical harm thereby caused to the ultimate user or consumer, or to this property”.

To establish strict liability, the consumer must prove three basic elements: causation, damage and defect (Vargo 1995). Even if there was limited knowledge prevailing at that time during the production, the manufacturer is still made liable under the strict liability rule thus negating him of that defence as long as it was ascertained that the product was pervasively dangerous (Ryan 2003).

Product Guarantees

Under guarantees the quality and performance of the item being sold. (Accidents.com). Guarantees are prevalent in commodity markets (Cooper and Ross 1989). The concept of guarantees has been around for almost as long as there has been trade and there have been many representation of guarantees throughout

history (Murthy and Djamaladin 2002). According to the website Accident a guarantee, which can be either written or simply oral, is one party's guarantee of the quality and performance of a product being sold. The use of guarantees is common and widespread in the world. In Malaysia the term warranty is used more often than guarantee although the law explicitly defines the term guarantee for goods and service. This is to ensure that manufacturer owes as a matter of duty on the quality of product which includes design and marketing as well, thus establishing well defined role of the buyer and the seller. Murthy and Djamaladin 2002). Guarantees may be either express or implied and is based on the breach. An express guarantee is when a seller makes an explicit promise or a declaration of fact concerning a product, which may form the basis of a consumer's decision to purchase a product. (Accidents). Express guarantees are made in the due course of advertising, purchaser, in the form of certificates, or be made either orally or in writing (Christozov, Chukoraand Mateev 2008). According to Stearns (2001), "the express guarantees can be created by samples shown to the buyer, by design specification, by an earlier purchase of the same kind of product (where the buyer reasonably assumed that a second shipment would be of the same quality as the first), by market claims". Implied guarantees are unspoken, unwritten promises, created by state, that go from the seller or merchant to the customers from (US legal.com). Where an express guarantees is created by an affirmative act, an implied guarantee is presumed to exist unless the buyer clearly and unambiguously disclaims it in writing as part of the sales agreement (Stearns 2001). There are two types of implied guarantees which are implied guarantee of merchantability and implied guarantee of fitness for a particular purpose.

Types of guarantees by (Christozov, Chukora and Mateev 2008).

Many products usually come with written guarantee. A defective product is one that has a defect in product that has violated (breached) the guarantee (Nolo.com). The breach of guarantee is based on a guarantee is essentially between a manufacturer or his agent and the customer by (Larson, 2003). A claim based on breach of guarantee may be founded on either express or implied guarantee (A. Bennigson and I.

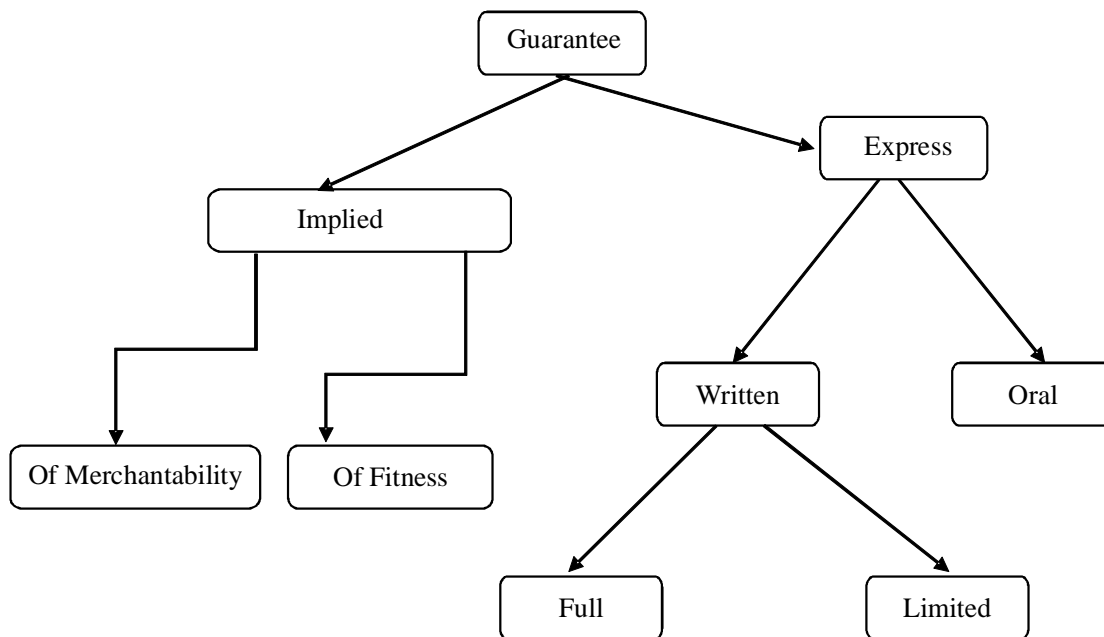


Figure 1: Types of guarantees from legal point of view

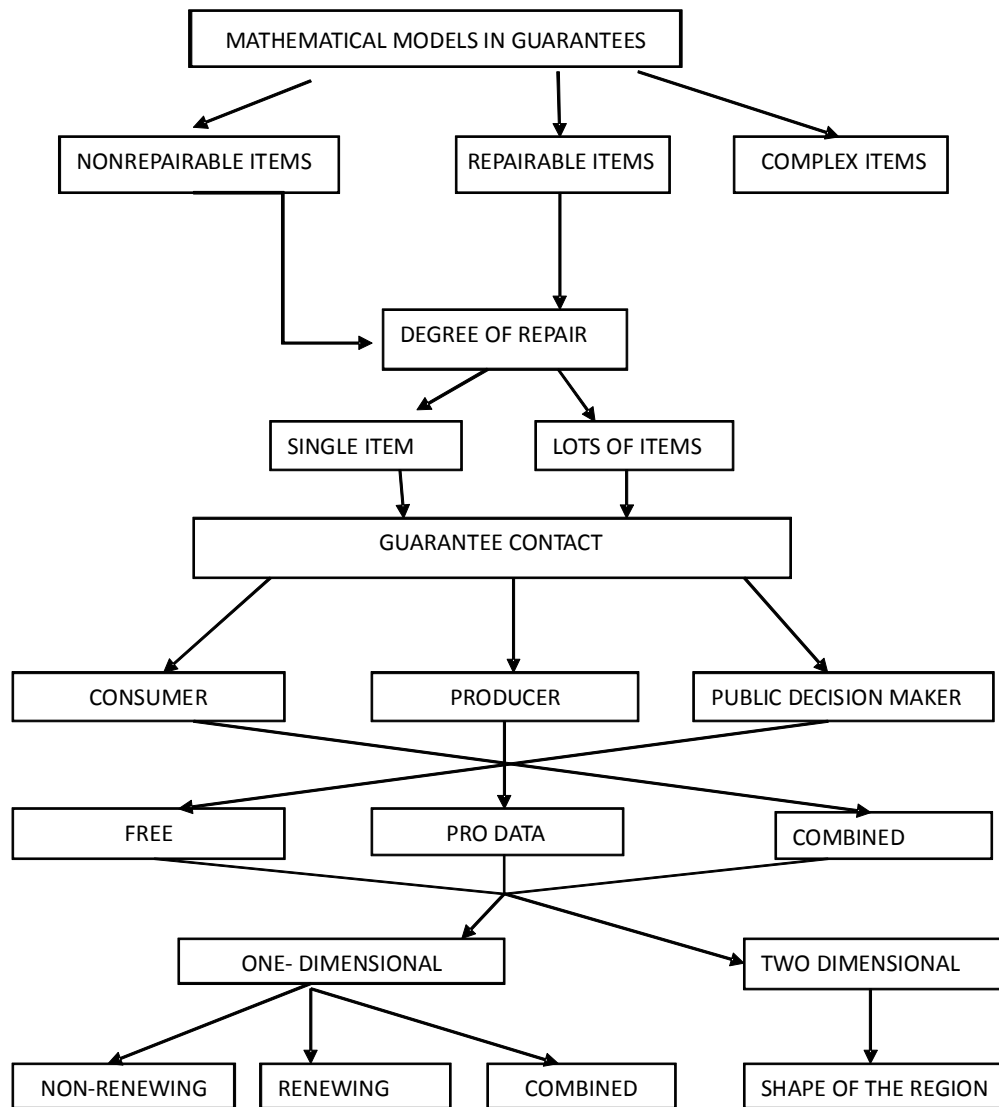


Figure 2: Mathematical models of guarantees

Bennigson 1974). Today most of the products been sold come with guarantee that offers protection to the buyer including protection for producer, seller and consumer.

According to Chiristozoy, Chukora and Mateev (2008) that in order to shape the analysis of guarantees, it is imperative that some of the salient points must be identified with regard to some of the specific feature of guarantee. This is displayed in the figure 2.

Product Negligence

The two most common causes for action are where there is strict product liability and product negligence. Under the rule of strict liability the person causing/responsible for the injury is solely and must pay the entire cost. Under the negligence rule the person causing the injury is liable for losses only if he was negligent, i.e. if he has shown less than the duty of care that is owed to the injured party. In an action for

negligence the plaintiff must show that the parties who are accountable in placing the product in the market owes a duty to ensure that the product is fit for its intended use and foreseeable uses. The manufacturer/vendor is capable of detecting any defect within the scope of a reasonable care in the design, manufacture, or inspection process, had not meet the necessary care that is deemed obligatory, which resulted in the plaintiff's injury (Larson 2003). In order to prove negligence, it must be shown that the defendants did not adhere to the minimum standards and had failed to exercise reasonable care during the time he was in control of the product which includes the distribution of the product (Nolo.com).

Negligence is not without problem to the consumer. According to Vargo (1995) if a defectively designed product causes an injury, the consumer, on the balance probability, must prove that the manufacturer in designing a product was not up to a reasonable standard to match the reasonable expectation of a consumer. This is difficult and the difficulty varies depending on the type of product and the manufacturing process involved. (Nolo.com). According to Stearns (2001)

“it is not enough, however, to show that a company acted in a negligent manner, or that it failed to take an action that a reasonable person would take in like circumstances”.

Originally, a negligent manufacturer was not liable unless there was ‘privity of contract’ between him and the buyer (A. Bennigson and I. Bennigson 1974)

RESEARCH METHODOLOGY

Hypotheses

H1: Product liability significantly influences consumer's rights against defective product

The purpose of product liability is to protect the consumer from defective or dangerous goods. Without the protection the consumer will suffer losses at a personal level as in mid-1800's when the manufacturer was protected from liability under the maxim of *caveat emptor*. But according to A. Bennigson and I. Bennigson(1974) today's prevailing philosophy *Let the manufacturer and the seller beware* received judicial impetus in 1963.

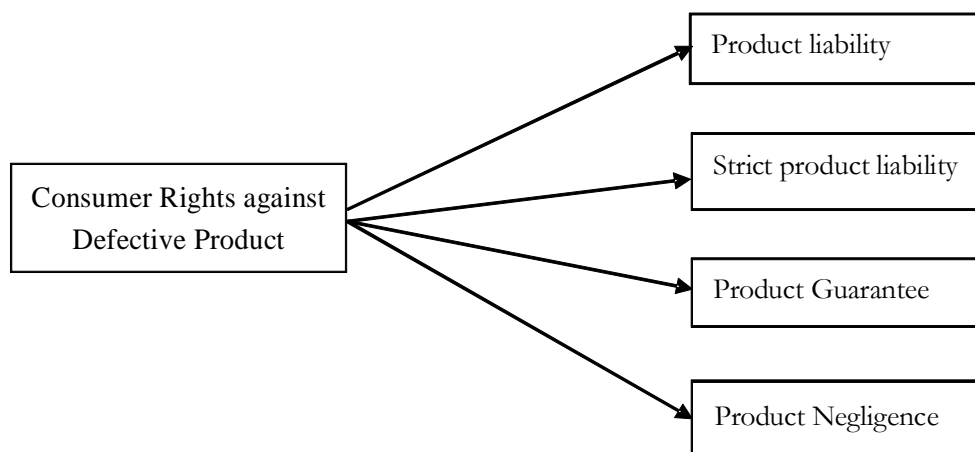


Figure 3: Research Theoretical Framework

H2: Strict product liability significantly influences consumer rights against defective product

Strict product liability is based on injury resulting from using a defective product. As consumers, the rule of strict product liability protects the consumer from goods that will cause injury. Food product was a primary concern, which explains why rule of strict liability first developed in cases relating to defective food (Stearns 2001). The injured party needs to prove that the product was defective and it caused the injury. Based on this presumption, the following hypothesis was created

H3: Product Guarantee significantly influences consumer rights against defective product

When a guarantee is not offered, the buyer may not purchase for the product although by statute there is an implied guarantee. The absence of an express guarantee is also an perceived indication of the quality on the buyers (Chiritzov, Chukora and Mateev 2008). Hence the following hypothesis is developed.

H4: Product Negligence significantly influences consumer rights against defective product

When it comes to product negligence the consumer must prove that the manufacturer was careless and this carelessness caused injury. As stated earlier it is challenging for the consumer to substantiate the manufacturer's carelessness and bring an action against the manufacturer for negligence. The hypothesis is to check whether the product negligence can influence the consumer's right against defective product.

RESULT AND DISCUSSION

Descriptive Analysis

Table 1
Respondents Gender

	<i>Frequency</i>	<i>Per cent</i>	<i>Valid Per cent</i>	<i>Cumulative Per cent</i>
Male	148	59.2	59.4	59.4
Female	101	40.4	40.6	100
Total	249	99.6	100.0	
Missing	1	0.4		
Total	250	100.0		

A descriptive analysis was conducted to identify the percentage of male and female respondents who have participated in this research. In table 1, of the 250 participants, 148 are male, 101 female and missing input is 1 participant. The percentage is about 59.2% male, 40.6% female and a missing input of 0.4 indicating that males exceeded females in this survey.

Figure 4 shows respondent's gender and age. Based on this figure, 28 male and female are of less than 19 years of age while 62 males and 47 females are between 20 and 22 of age. 38 males and 22 females are between 23 and 25 years, while 15 males and 0 females are between 26 to 28 years. Finally there are 4 males and 3 females who are 29 years and over. Maximum frequency is between the age group 20 to 22 as this study has been conducted at the university where the majority of students are within that age range.

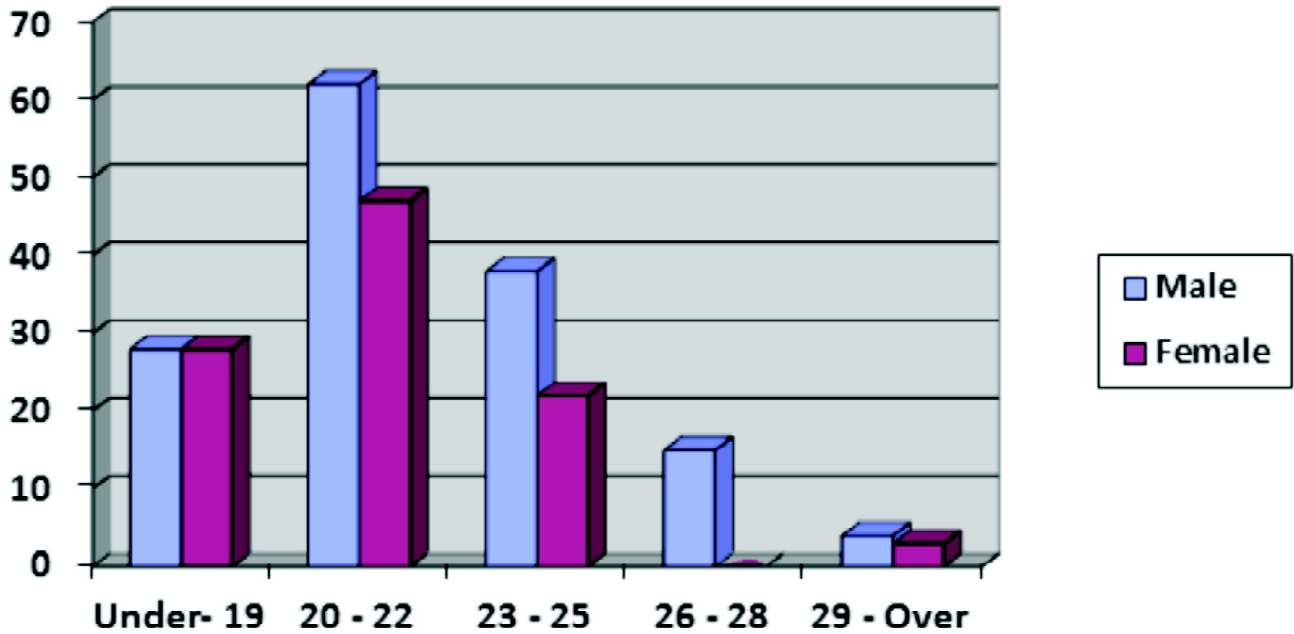


Figure 4: Respondent's gender and age

Reliability Analysis

A dependability analysis is conducted to analysis the variables the reliability, consistency and repeatability of the data collection instrument. This research uses Cronbach's alpha score of 0.7 which is regarded as satisfactory. This study measures the reliability of 1 dependent and 4 independents variables viz., Perception, Product Liability, Strict product liability, Product Guarantees and Product Negligence.

Table 2
Reliability Test

<i>Perception</i>	<i>Cronbach' s Alpha 0.759 for N(6)</i>
Product Liability	Cronbach' s Alpha 0.717 for N(4)
Strict Product Liability	Cronbach' s Alpha 0.712 for N(4)
Product Guarantee	Cronbach's Alpha 0.725 for N(5)
Product Negligence	Cronbach' s Alpha 0.786 for N(4)

Independent T-test

Table 3 above shows the result of an independent t-test conducted to investigate if gender differences affect the respondent decision in the research. The result shows the significant level is at 0.454 which is less than the significant level at 0.05. Hence the result is not significant, indicating that the respondent's gender does not affect consumer rights as their answers are not based on gender differences.

One-Way ANOVA

The independent T-test is followed by one-way Anova to check if the level of significance between the dependent and demographic variables. Whilst the independent t-test is used to measure the difference between two groups, Anova is used to compare two or more groups.

Table 3
Independent T-test for Gender and Consumer rights

		<i>Levene's Test for Equality of variances</i>		<i>T-Test for Equality of Means</i>						
		<i>F</i>	<i>Sig.</i>	<i>T</i>	<i>df</i>	<i>Sig. (2-Tailed)</i>	<i>Means Difference</i>	<i>Std. Error Difference</i>	<i>95% Confidence interval of the Difference</i>	
								<i>Lower</i>	<i>Upper</i>	
Perception (Consumer rights)	Equal Variances Assumed	.534	.465	.750	247	.454	.08107	.10804	-.13172	.29386
	Equal Variances not Assumed			.741	205.3	.460	.08107	.10941	-.13464	.29678

Table 4
One-way ANOVA analysis of cultural background and consumer rights

<i>Consumer rights</i>	<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Between Groups	11.776	3	3.925	5.934	0.001
Within Groups	162.054	245	.661		

Table 4 shows the analysis as significant because the significant value is 0.001 which is below 0.05. Hence cultural differences affect the answer show independent variables affect dependent variables (perception on consumer rights).

Table 5
One-way ANOVA analysis of age and consumer rights

<i>Consumer rights</i>	<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Between Groups	10.260	4	2.565	3.838	0.005
Within Groups	162.426	243	.668		

In the above table the analysis shows significant value of 0.005 which is less than the acceptance level which is $p < 0.05$. Hence, age differences do not affect answers toward how the independent variables affect the dependent variable.

H1: Product liability significantly influences consumer rights against defective product

The table above shows a correlation analysis for product liability and consumer rights to see whether H1 is accepted or not. Since the data is not normality distributed a Spearman's Rho test has been adapted to test whether the independent variable is related to the dependent variable. Table 6 shows relationship between

Table 6
Product liability and consumer rights

			<i>Consumer rights</i>	<i>Product liability</i>
Spearman's Rho	Consumer rights	Correlation Coefficient	1.000	.544**
		Sig. (2-Tailed)	.	.000
		N	250	250
	Product liability	Correlation Coefficient	.544**	1.000
		Sig. (2-Tailed)	.000	–
		N	250	250

** . Correlation is significant at the 0.01 level (2-tailed).

product liability and consumer rights with a significant value of 0.000 which is less than 0.01. Therefore we say that it is significant. The strength of the relationship can be shown by the value of the Correlation Coefficient which is 0.544.

Table 7
Strict product liability and consumer rights

			<i>Consumer rights</i>	<i>Product liability</i>
Spearman's Rho	Consumer rights	Correlation Coefficient	1.000	.622**
		Sig. (2-Tailed)	.	.000
		N	250	250
	Strict product liability	Correlation Coefficient	.622**	1.000
		Sig. (2-Tailed)	.000	–
		N	250	250

** . Correlation is significant at the 0.01 level (2-tailed).

H2: Strict product liability significantly influences consumer rights against defective product

Table 7 shows a significant value of 0.000 meaning that there is a significant relationship between the independent and dependent variables which are strict product liability and consumer rights. The relationship is moderately positive based on the correlation coefficient value which is 0.622.

H3: Product guarantees significantly influences consumer rights against defective products

Table 8 above highlights the finding for Spearman's Rho test for the two variables product guarantee and consumer rights. It shows a significant value of 0.000 proving that there is a significant relationship between the two variables and the correlation coefficient value of 0.494 points out that the relationship is moderately positive.

Table 8
Product Guarantee and consumer rights

			<i>Consumer rights</i>	<i>Product liability</i>
Spearman's Rho	Consumer rights	Correlation Coefficient	1.000	.494**
		Sig. (2-Tailed)	–	.000
		N	250	250
	Product Guarantee	Correlation Coefficient	.494**	1.000
		Sig. (2-Tailed)	.000	–
		N	250	250

** . Correlation is significant at the 0.01 level (2-tailed).

Table 9
Product Negligence and consumer rights

			<i>Consumer rights</i>	<i>Product liability</i>
Spearman's Rho	consumer rights	Correlation Coefficient	1.000	.525**
		Sig. (2-Tailed)	–	.000
		N	250	250
	Product Negligence	Correlation Coefficient	.525**	1.000
		Sig. (2-Tailed)	.000	–
		N	250	250

** . Correlation is significant at the 0.01 level (2-tailed).

H4: Product Negligence significantly influences consumer rights against defective products

Table 9 above shows the significant level is 0.000 confirming there is a significant correlation between the two variables. In the table correlation coefficient value of 0.525 which means there is a moderately positive relationship.

Table 10
Multiple Regression Analysis

<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>T</i>	<i>Sig.</i>
1(constant)	.281	.128		2.199	.029
Product Liability	.222	.055	.234	4.045	.000
Strict Product Liability	.320	.051	.321	6.227	.000
Product Guarantee	.101	.057	.102	1.758	.080
Product Negligence	.240	.047	.298	5.067	.000

Table 9 show the result of multiple regression analysis to see how strong the relationships are between perception on consumer rights, product liability, strict product liability, product guarantee and product negligence. Multiple regression looksat combination of all variables in determining the outcome of perception of consumer rights.

In the above table, product guarantee which has a significance value 0.08, meaning that product guarantee is not significantly related to dependent variable,consumer rights.

DISCUSSION AND CONCLUSION

In this study the hypothesis were tested and proven to be significant in a consumer's awareness against defective products. The statistical analysis showed there is a significant correlation between all the independent variable and dependent variable regarding consumer rights and defective products. The variables have moderate to strong positive correlation.

Product liability is the basis of consumer law and from this law developed the theories of strict liability, product guarantee and product negligence. A defective product is something over the manufacturer may or may not have but they can reduce the risk by improving their process.

As stated earlier, product liability is significant with a correlation coefficient of 0.544 and a significance value of 0.000. This meant product liability has a moderate effect or influence on consumer rights against defective product.

It shows that strict product liability has a strong relationship and influences consumer rights against defective product. The concept of strict liability as stated by Herbig and Golden 1992 meant that the product can be made with a higher standard of quality control and additional care taken but, when it causes an injury to the user, the manufacture is still held liable for the injury. Under strict liability doctrine, the manufacturer is held for the users injury and is liable compensation as provided by law (Piker, 1998).

A guarantee is a condition on the performance of a product that is being sold. The seller vouches that the product is fit for use. Today all products are sold with an implied guarantee that offers protection for early failure. Wang(2006) states that a failure can occur early in a product's life due to manufacturing defect or late in its life due to degradation due to age and usage.

Product negligence and consumer rights showed a significant value of 0.000 and a correlation coefficient of 0.525. This meant they have a strong relationship and can influence the consumer rights. Negligence is based on proof that the manufacturer was careless and the carelessness caused injury. Negligence is a conduct which where an established norm is not met or falls below the prescribed standard as perceived by the consumer then the manufacturer become answerable for the shortcoming which has affected the other party. In order to successfully claim the manufacturer's negligence, the injured must prove that the manufacturer was careless and that this carelessness caused his injury. (A. Bennigson and I. Bennigson 1974).

NOTES

1. [1932] AC 562
2. Wu Min Aun, Consumer Protection Act 1999 Supply of Goods and Services, Pearson Education Malaysia Sdn Bhd 2000, page 69

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