

## Charging over MRP during lockdown: Consumers find MRP compliance better on ecommerce apps, as compared to local retail stores

- 39% consumers said they were overcharged by local retail stores during lockdown
- 21% consumers said they were overcharged by online sellers/ecommerce app during lockdown

**29<sup>th</sup> April 2020, New Delhi:** These have been trying times for the entire humanity. The Coronavirus pandemic has touched over 200 countries and more than half the world has been under lockdown. Factories and shops have been closed and a large majority of people have been surviving only on essential goods and services. During this time when many corporate houses, manufacturers and NGOs have been helping people in need, consumers have reported that there are some sellers, who have been overcharging them for essential products.

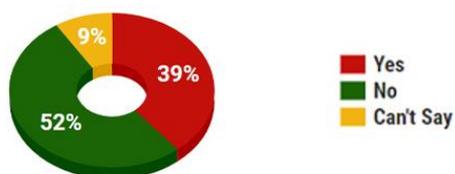
In early 2017, after various consumer complaints on pricing, LocalCircles worked with the Legal Metrology Division which comes under the ambit of Department of Consumer Affairs, to make packaged products MRP display mandatory on ecommerce platforms. The rule became applicable from 1<sup>st</sup> January 2018 and this meant that instances of MRP non-compliance issues on ecommerce platforms got substantially reduced.

Over the last one month, both the online communities in association with Department of Consumer Affairs and the Legal Metrology Division as well as city level online communities have received hundreds of complaints about consumers being charged above MRP.

To measure the magnitude of the non-compliance, LocalCircles conducted a 2-poll survey and asked consumers for feedback from their buying experiences from the past 40-days during the lockdown. The survey received over 16,000 responses from 244 districts of the country.

The first question asked citizens in the last 4 weeks of lockdown period, were they or their family members charged more than MRP for a packaged item by a retail store (at store or delivery) etc. Surprisingly, 39% answered in a 'yes' while 52% answered in a 'no'.

In the last 4 weeks of lockdown period, were you or family members charged more than MRP for a packaged item by a retail store (at store or delivery) etc.?



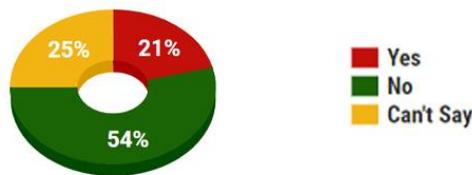
Votes - 8,332

39% consumers say they were charged more than MRP by retail stores during lockdown

While the local trader/retailer has come to the assistance of the consumer by providing essential supplies, some have clearly taken advantage of the situation and sold products above MRP. Many complaints were received in this regard about sanitizers and masks in the first two weeks of the lockdown. Another model that has become common since the lockdown is local traders and retailers taking orders on WhatsApp or via phone and then delivering the necessary supplies. According to consumers, in many such transactions, the receipt that is being furnished is not an actual receipt but a hand written total on a piece of paper. This is one of the most common areas where charging over MRP has been reported.

Ecommerce platforms fared better in this department. Most large ecommerce platforms have been complying with the Government's orders of displaying MRP of all products on the websites/apps and cases of consumers being charged above MRP by sellers on these electronic platforms have not been reported frequently. When asked in the last 4 weeks of lockdown period, were they or their family members charged more than MRP for a packaged item by an eCommerce platform. In this case, only 21% answered in a 'yes' while 54% answered in a 'no'. 25% said they were unsure about it.

In the last 4 weeks of lockdown period, were you or family members charged more than MRP for a packaged item by an online seller/eCommerce platform?



Votes - 8,102

21% consumers say they were charged more than MRP by online sellers/eCommerce platforms during lockdown

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Consumers have highlighted cases where leading grocery apps as well food delivery apps are also charging above MRP for certain products. The grocery app listed sanitizers at old prices and continued to sell them at that price despite the Government order to sell 100 ml sanitizer for 50 rupees. The issue outlined by the consumers was that while the first unit was sold at Government mandated price, from second unit on the old MRP was applied leading to overcharging situation. The food delivery apps on the other hand have been reported to listing products at a MRP higher than published MRP and then applying additional delivery charges.

Overall, the findings show that the percentage of retail stores that overcharged consumers during the lockdown were almost double of that of ecommerce apps. LocalCircles will be submitting a copy of this report to Department of Legal Metrology requesting them to drive enforcement on such cases by State Legal Metrology units so this unfair trade practice of overcharging the consumer is minimised.



## **About LocalCircles**

LocalCircles takes Social Media to the next level and makes it about Communities, Governance and Utility. It enables citizens to connect with communities for most aspects of urban daily life like Neighborhood, Constituency, City, Government, Causes, Interests and Needs, seek information/assistance when needed, come together for various initiatives and improve their urban daily life. LocalCircles is free for citizens and always will be!

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