

REGULATING THE MARKET AND CONSUMER BEHAVIOR: THE ROLE OF COMMERCIAL LAW IN PROTECTING CONSUMER RIGHTS

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Abstract: The protection of consumer rights is the basis for building fair and sustainable markets and ensures a balance between the economic interests of businesses and the welfare of consumers. The role of commercial law in this process is reflected in the creation of a legal framework that regulates market behavior, prevents abuses and ensures respect for basic consumer rights. This paper analyzes the main legal mechanisms for consumer protection, their impact on the functioning of the market and the obstacles to their implementation in today's business environment. The theoretical part provides a detailed analysis of the concepts of consumer rights, market regulations and commercial law, with a particular focus on the protection of consumer rights in the context of global market trends. The empirical research includes an analysis of the legal framework of the Republic of Serbia and its harmonization with the European Union legislation, as well as a case study of specific examples of consumer protection through institutional mechanisms. Both quantitative and qualitative methods were used in the research, including analysis of legal documents, in-depth interviews with experts in commercial law and surveys of consumers to determine their satisfaction with the existing protection system. The research findings show that while the existing legal framework provides a basis for the protection of consumer rights, challenges such as ineffective application of the law, insufficient consumer awareness and limited institutional resources hinder its full effectiveness. The conclusion emphasizes the importance of continuous development of the legal system in line with global standards, paying particular attention to the protection of consumer rights as a necessary condition for building a stable and competitive market. This paper contributes to the understanding of the challenges and opportunities in market regulation and provides a basis for further research in the field of commercial law and consumer protection.

Keywords: consumer rights, market regulation, commercial law, consumer protection, legal framework, market behavior.

Field: Social sciences

1. INTRODUCTION

The protection of consumer rights is one of the key elements of sustainable economic development and a functioning market. In modern economies, consumers face numerous challenges, including asymmetric information, unfair commercial practices and the abuse of monopoly positions. Commercial law, as a legal discipline that governs relations between economic entities and regulates market activities, plays a central role in protecting consumer interests and ensuring market transparency and fairness.

The role of the state in regulating the market through the legal framework is not only to create the conditions for free competition, but also to provide protection mechanisms for participants who are often in a weaker position, such as consumers. The development of consumer law as a specific segment of commercial law enables the identification of key problems in business-consumer relations and the implementation of legal solutions that protect the interests of all parties.

In the Republic of Serbia, the legal framework for the protection of consumer rights has improved significantly in recent years, especially through harmonization with the legislation of the European Union. However, there are still problems with implementation. These include insufficient consumer awareness, weak institutional support and limited resources for enforcement. These challenges are the focus of this study, which aims to analyze the effectiveness of the existing legal framework and propose recommendations for its improvement.

The paper is structured in such a way that it first discusses the theoretical foundations of consumer protection, including the concepts and principles of commercial and consumer law, as well as the basic features of market regulation. Following this, the empirical part analyzes legal documents, surveys and expert interviews to identify the main problems and areas for improvement. The discussion interprets

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the findings and makes recommendations for practical improvements, while the conclusion provides an overview of the main contributions of the study and points to possible directions for further research.

This paper not only contributes to the understanding of the current state of consumer protection in Serbia, but also provides a broader perspective on the importance of market regulation and commercial law in striking a balance between the interests of businesses and consumers. In this way, it serves as a basis for the development of new policies and measures that enable better functioning of the market and more efficient consumer protection.

2. THEORETICAL FRAMEWORK: THE ROLE OF COMMERCIAL LAW IN THE REGULATION OF THE MARKET AND CONSUMER PROTECTION

Commercial law is a fundamental legal framework for the regulation of market relations in modern economies. Its role in striking a balance between the freedom of the market and the need for regulation is essential for maintaining the stability of economic systems. The market as a dynamic and complex system often requires legal intervention to ensure a level playing field for all participants, to prevent the concentration of power in the hands of individuals or organizations and to protect the interests of consumers, who are often in a weaker position compared to businesses.

The protection of consumer rights stems from the broader concept of market regulation, which is based on the principles of fairness, transparency and accountability. Consumer rights include the right to information, safety, choice and redress, which are enshrined in both international and national legal documents. These principles aim not only to provide individuals with economic security, but also to increase confidence in the market as a whole, which is crucial for promoting competition and economic growth.

The development of consumer law as an independent legal discipline is a consequence of the development of market relations in the context of globalization and digitalization. Traditional models of consumer protection based on local legal frameworks are becoming increasingly ineffective in an environment characterized by international trade practices, technological innovation and digital transformation. In this context, legal regulation must address challenges such as e-commerce, data protection and the global availability of products and services, while ensuring that consumers are adequately informed and protected.

One of the most important aspects of commercial law in the area of consumer protection is the establishment of mechanisms for resolving disputes between consumers and businesses. Effective legal instruments such as alternative dispute resolution systems, consumer ombudsmen and regulated sanctions for unfair commercial practices enable disputes to be resolved quickly and fairly, thus contributing to confidence in the legal system and market institutions.

A particular challenge in market regulation and consumer protection is to find a balance between the need for a free market and interventionism. Over-regulation can restrict innovation and competition, while a lack of regulation leaves room for abuse and monopolization. Commercial law must find a middle ground that ensures that the market remains open and competitive while providing adequate protection for weaker participants, including consumers.

In modern society, the protection of consumer rights is becoming an increasingly important issue as market participants have more sophisticated tools at their disposal to influence consumer behavior. In this sense, market regulation and consumer protection through commercial law are not only legal issues, but also issues of social justice and sustainable development. Understanding the legal mechanisms that enable the protection of consumer rights is crucial to improving market relations and maintaining trust in economic institutions.

3. MATERIALS AND METHODS

The research presented in this paper is based on a combination of quantitative and qualitative methods that allows for a comprehensive examination of the role of commercial law in market regulation and the protection of consumer rights. The research approach includes the analysis of primary and secondary data sources as well as the collection of new empirical data through field research.

Primary sources include relevant laws and subordinate legal acts of the Republic of Serbia, such as the Law on Consumer Protection and the Companies Act, as well as European Union documents, including directives and regulations governing this area. Secondary sources include academic papers, reports of international organizations and publications on commercial law and economics. By analyzing these documents, the study identifies the main legal mechanisms that influence market regulation and

consumer protection.

The empirical part of the study is based on two primary methods: surveys and in-depth interviews. The survey was conducted among consumers in the Republic of Serbia in order to collect data on their experiences with consumer rights protection, perceptions of legal mechanisms and the level of trust in the institutions in charge of law enforcement. The questionnaire was designed to inquire about the most important aspects of consumer protection, including knowledge of rights, satisfaction with available remedies and the obstacles consumers face in exercising their rights.

In-depth interviews were conducted with experts in commercial law, including lawyers, lawyers working in regulatory institutions and academics. The aim of these interviews was to identify the main challenges in the implementation of laws and to gather recommendations to improve the legal framework. The interviews provided deeper insights into complex legal and institutional issues that cannot be fully captured by quantitative methods.

The analysis of the collected data was carried out using descriptive statistics for quantitative data and thematic analysis for qualitative data. Survey results were presented in the form of charts and tables, while interview results were interpreted by identifying common themes and key findings. All research methods were applied in accordance with ethical standards, ensuring anonymity and the voluntary participation of respondents.

This multidisciplinary approach enabled a comprehensive understanding of consumer rights protection and market regulation, identified gaps in the existing system and formulated concrete recommendations to improve the legal framework and practices.

4. RESULTS

The results of the survey are presented in the table below and relate to questions on consumers' level of awareness of their rights, use of legal mechanisms to protect rights and trust in the institutions responsible for consumer protection. The results show that the majority of respondents believe that they are not sufficiently informed, while trust in institutions is relatively low. The use of legal mechanisms is also limited, highlighting the need for better education and more effective institutional approach.

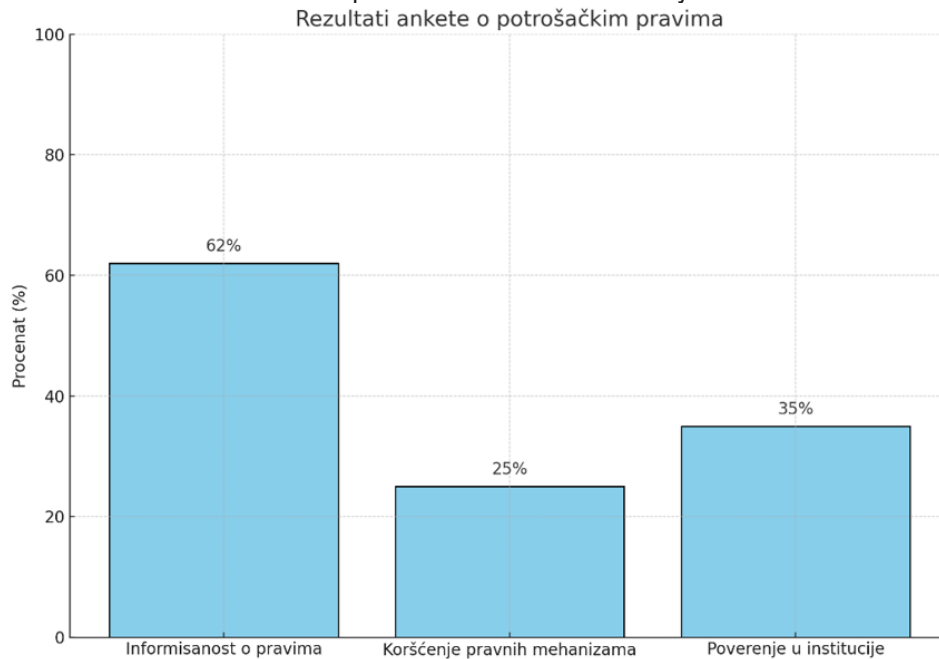
Table 1 Respondents' Answers to Survey Questions

Question	Yes (%)	No (%)
Are you familiar with your consumer rights?	62	38
Have you used legal mechanisms to protect your rights??	25	75
How much do you trust institutions protecting consumer rights?	35	65

Source: Author

The chart below shows the percentage of respondents who stated they were informed about their consumer rights, use legal mechanisms, or have trust in institutions.

Chart: Respondents' Answers to Survey Questions



Source: Author

As shown, only 62% of respondents feel sufficiently informed, while the use of legal mechanisms and trust in institutions are significantly lower at 25% and 35% respectively. These results highlight the areas where improvements are needed.

Interviews with experts in commercial law, regulatory institutions and academia provided deeper insights into the challenges and opportunities for improving the legal framework for the protection of consumer rights in the Republic of Serbia.

The analysis of the responses identified several key themes.

Experts have emphasized that the legal framework for the protection of consumer rights in Serbia is largely in line with the legislation of the European Union. However, the main problem lies in its implementation. Resource constraints, weak institutional capacity and insufficient coordination between regulators often lead to ineffective enforcement of the law. One participant commented: *“The existing laws are well designed, but their implementation does not meet expectations, particularly regarding inspections and dispute resolution processes.”*

Most experts consider low consumer awareness to be a fundamental problem. Consumers often do not know what rights they have and how they can exercise them. One interviewee emphasized: *“Although consumer rights are clearly defined by law, the majority of citizens lack even basic information about their rights and the legal mechanisms available.”*

Consumers' trust in institutions is considered to be low, which makes it even more difficult for individuals to enforce their rights. Experts suggest that slow administrative processes and the perception of corruption are among the main reasons for this situation. One participant commented: *“People often choose not to report irregularities because they lack confidence that the institutions will respond appropriately.”*

The participants proposed several concrete steps to improve the system for protecting consumer rights. Recommendations include strengthening institutional capacity through additional training for inspectors and legal staff, introducing educational campaigns to raise consumer awareness, and increasing transparency in the work of regulators. One expert suggested: *“Increasing the budgets for institutions dealing with consumer protection and making greater use of digital tools for filing complaints and tracking cases could significantly improve the situation.”*

The results show that the main problems lie in the implementation of the existing legal framework and the perception of its effectiveness by consumers. Although there is a solid legal basis, investment in institutional resources, public awareness and building trust in institutions is necessary for the system to work effectively to protect consumer rights.

The research findings indicate that despite the existence of a legal framework that is largely aligned with European Union standards, the implementation of consumer rights protection laws in the Republic

of Serbia faces numerous challenges. Data collected through surveys and interviews shed light on key aspects of the current situation and identified areas requiring improvement.

Survey data reveal that only 62% of respondents are familiar with their consumer rights, while 38% report lacking the necessary information. This highlights insufficient education and awareness among consumers regarding their rights and the available legal mechanisms. Experts confirmed this observation, emphasizing that the lack of information directly impacts the ability to exercise these rights.

The survey results also show that only 25% of respondents have used legal mechanisms to protect their rights, whereas the majority, 75%, stated that they have never sought institutional assistance. According to experts, the primary reasons for this include complex procedures, lengthy processes, and low trust in institutions.

Trust in institutions responsible for consumer protection is rated as low, with only 35% of respondents expressing confidence in their work. Experts noted that slow administrative processes and perceptions of corruption are key factors undermining consumer trust.

An analysis of legal documents indicates that the legal framework in the Republic of Serbia is comprehensive and well-regulated, but the implementation of legal provisions remains a challenge. Inspection services and regulatory bodies often lack the resources needed for effective enforcement of the law. This issue was further highlighted in interviews with experts, who stressed the need for better coordination between institutions and greater investment in their capacities. The research underscores the necessity of strengthening institutional capacities, raising consumer awareness, and improving the processes for implementing legal regulations. Effective consumer rights protection can significantly contribute to trust in market institutions and ensure a more balanced market development in the Republic of Serbia.

5. DISCUSSION

The research results provide a comprehensive insight into the current challenges and opportunities for improving the legal framework for the protection of consumer rights in the Republic of Serbia. The discussion of these findings emphasizes the importance of their practical application and highlights key aspects that require the attention of legislators, regulators and consumers.

One of the most important conclusions relates to insufficient consumer awareness. The survey results show that a significant proportion of the population is unaware of their basic rights, which has a direct impact on their ability to exercise these rights. This finding is confirmed by interviews with experts who emphasize that current information campaigns and educational programs are not comprehensive enough. Strategies need to be developed to improve access to information, particularly through digital media, public campaigns and educational initiatives.

The findings on the use of legal mechanisms show that consumer engagement in seeking legal protection is significantly limited. According to experts, the reasons for this include complex administrative procedures, a lack of trust in institutions and often lengthy dispute resolution procedures. This state of affairs underscores the need for reforms to legal procedures, including the simplification of procedures and the introduction of digital tools to enable complaints to be processed more quickly and efficiently. A particular challenge is the low level of trust that consumers have in the institutions. Both survey respondents and experts agree that the perception of inefficiency and corruption in regulatory bodies seriously undermines citizens' willingness to seek help. This problem calls for far-reaching institutional reforms aimed at increasing transparency, strengthening accountability and improving the professional integrity of officials.

The discussion also underlines the crucial role of legislative and regulatory reforms in improving the protection of consumer rights. Although Serbian laws are largely aligned with European standards, their implementation often remains ineffective. This points to the need for better coordination between the various institutions as well as the importance of adequate funding and training for staff involved in law enforcement.

In addition to the institutional and regulatory challenges, the findings point to a broader societal need to change the perception of the importance of protecting consumer rights. Educating the public, not only about rights but also about the available protection mechanisms, can help to increase citizens' engagement and trust in the system. In conclusion, the discussion of the findings emphasizes that effective protection of consumer rights is not only a legal issue, but also a socio-economic one. Increasing awareness, transparency and efficiency in the implementation of laws is crucial for improving market regulation and ensuring fairness for all market participants. These findings provide a basis for formulating concrete recommendations for further research and practical reforms in the area of consumer protection.

6. CONCLUSION

The protection of consumer rights is a key element in ensuring a functioning, fair and sustainable market. The research conducted in this study identifies significant challenges in the implementation of legal regulations in the Republic of Serbia, as well as opportunities to improve the legal and institutional systems for the protection of consumer interests.

The analysis shows that the laws are largely in line with European standards, but their effective implementation remains a challenge. Insufficient consumer awareness, complex administrative procedures, low trust in institutions and limited resources of regulatory authorities were identified as critical issues. These shortcomings point to the need for comprehensive reforms to improve consumer education, increase institutional transparency and simplify legal mechanisms to protect consumer rights.

Recommendations arising from the research include strengthening the capacity of regulatory bodies, introducing digital platforms for reporting complaints and monitoring processes, conducting consumer education campaigns and providing additional training for inspection and judicial authorities. In addition, there is a need to improve coordination between the various institutions to ensure more efficient law enforcement and increase public trust in the system.

This paper makes an important contribution to understanding the current state and opportunities in the field of consumer rights protection in Serbia and identifies the main areas where action is needed. Effective protection of consumer rights not only protects individuals, but also contributes to the stability and competitiveness of the market as a whole. Further research and practical reforms in this area are essential for the development of a market based on transparency, fairness and trust between all participants. In conclusion, market regulation through commercial law and the protection of consumer rights are essential prerequisites for enhancing economic stability and social responsibility, thereby contributing to the overall development of society.

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