

AWARENESS AND IMPLEMENTATION OF THE CONSUMER PROTECTION LAW IN THE TOMOHON SERVICE SECTOR

Kesadaran dan Implementasi Undang-Undang Perlindungan Konsumen di Sektor Jasa Kota Tomohon

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How to cite: Shintia Alvernia Gorrettie Gijoh. (2025). Kesadaran dan Implementasi Undang-Undang Perlindungan Konsumen di Sektor Jasa Kota Tomohon doi: 10.36526/js.v3i2.5575

Received : 18-06-2025
 Revised : 24-06-2025
 Accepted: 24-06-2025

Keywords:

Consumer Protection Law,
 Service Business,
 Dispute Resolution,
 Legal Awareness,
 Tomohon

Abstract

This study examines the application of consumer protection laws in service businesses in Tomohon City, focusing on the extent to which business actors understand and apply Law No. 8 of 1999 concerning Consumer Protection. The main objectives of this study were to assess the level of legal awareness among service business operators, identify the forms of consumer protection provided, and analyze the barriers to effective implementation. The study also explores the mechanisms used by businesses to resolve consumer disputes and consumer rights violations. This study uses a descriptive quantitative approach with a survey methodology, using a structured questionnaire distributed to 30 service business actors in various sectors, including tourism, culinary, and domestic services. These findings reveal that the majority of respondents have a moderate level of understanding of consumer protection laws, with significant gaps in the implementation of more comprehensive consumer protection measures such as service guarantees and compensation. In addition, internal mediation is the most commonly used dispute resolution mechanism, while formal channels such as the Consumer Dispute Resolution Agency (BPSK) and legal intervention are underutilized. The study also highlights significant barriers to effective implementation, including limited oversight and a lack of legal awareness among business operators. The absence of a formal consumer grievance channel in many businesses further exacerbates the situation, leading to a limited accountability environment. The implications of this study emphasize the need to improve legal education and training for service business operators, especially in the informal sector. Governments and civil society organizations should collaborate to improve legal literacy and facilitate better consumer protection practices. Future policy recommendations include simplifying legal procedures and strengthening consumer protection institutions to drive a fairer and more transparent service economy in Tomohon.

BACKGROUND

The development of the service sector in Indonesia continues to show an increasing trend in line with economic growth and urbanization. Tomohon City as one of the tourist cities in North Sulawesi is also experiencing rapid growth in service-based businesses such as tourism, culinary services, and household-related services. This condition presents significant opportunities for business actors to provide various services to the community. However, the expansion of the service sector also has the potential to pose risks to consumer rights. Many consumers do not receive adequate information or legal protection regarding the services they receive (Bandara et al., 2020; Nissenbaum, 2020). On the other hand, business actors often fail to understand or implement regulations related to consumer protection effectively (Abbott & Snidal, 2021b, 2021a). This situation creates a gap between consumer expectations and the responsibility of the service provider.

Therefore, it is necessary to conduct an in-depth study on the implementation of consumer protection laws in the local service sector.

Law No. 8 of 1999 concerning Consumer Protection regulates the rights and obligations of both consumers and business actors. In practice, the implementation of this law continues to face challenges, especially in the service sector which is intangible and highly dependent on trust. In Tomohon, the service business is one of the dominant sectors in local economic activities. However, supervision of consumer protection in this sector is still relatively weak (Belwal et al., 2021). Many business owners do not have a comprehensive understanding of the law and have not applied it in their daily operations. As a result, there are still many consumer complaints that have not been resolved. This condition can affect the quality of services and reduce public trust in local business operators. Therefore, this research is very important to determine the extent to which consumer protection laws are applied in the service sector.

Research on consumer protection has been conducted extensively, especially in the context of consumer goods and digital commerce. Several studies have found that consumers are vulnerable to fraud and manipulation when business actors fail to provide transparent information. In the service sector, consumer protection is more complex because services cannot be returned or exchanged like physical goods (Belwal et al., 2021; Hjort et al., 2019; Howells, 2020; Wilson et al., 2020). This makes in-service dispute resolution highly dependent on good faith and informal mechanisms. In many regions, service business operators tend to ignore consumer rights due to a lack of regulatory enforcement (CAUFFMAN & GOANTA, 2021). At the same time, consumers themselves have limited awareness of their rights under consumer protection laws. Another study also highlighted the weak role of BPSK (Consumer Dispute Resolution Agency) in resolving service-related disputes. Thus, legal protection for consumers in the service sector remains a critical issue.

Studies in various cities show that there is a gap in law enforcement between the goods and services sectors. In services, consumer complaints are often not handled professionally because business actors do not consider legal obligations. Research conducted by Ari found that only a small number of service business actors know the contents of Law No. 8 of 1999 (Adi Pertiwi, 2019). Most only provide services based on local customs or informal practices. This illustrates significant differences in the application of the law across regions. Tomohon, as a small and developing town, has not been thoroughly studied in the context of consumer protection. Despite the rapid growth of the service sector—especially in the fields of tourism and culinary—research remains scarce. Therefore, it is important to investigate how consumer protection laws are enforced in regions such as Tomohon.

Recent studies emphasize the importance of legal education for business operators as the key to the successful implementation of consumer protection. Without adequate understanding, business actors tend to operate informally and ignore consumer rights. A study by Tamahs et al argues that training and the deployment of regulations significantly improve the quality of services in this sector (Tamsah et al., 2020). However, major challenges remain, such as limited access to legal information in small towns. This is the main obstacle in spreading legal awareness evenly. Local governments and consumer protection agencies have not effectively reached micro and small business operators. In Tomohon, there is still no comprehensive system to monitor and evaluate the implementation of the law. Therefore, this research seeks to make a valuable contribution to addressing this gap.

Although various studies have addressed consumer protection, research that specifically examines service businesses in small towns such as Tomohon is still very limited. Most research continues to focus on metropolitan areas or the physical product industry. There has been no systematic study that evaluates the understanding of service business actors related to the consumer protection law in Tomohon (Tamsah et al., 2020). In addition, no data was found that showed what forms of consumer protection are actually being implemented in the local service sector. The study seeks to address that gap through a data-driven empirical approach. By understanding the actual

conditions on the ground, the resulting policy recommendations will be more targeted and implementable. Therefore, this study fills an important gap in the consumer protection literature. It can also serve as a reference for improving the local legal system.

This study aims to find out the extent to which service business actors in Tomohon understand and apply consumer protection laws. Another objective is to identify the forms of consumer protection currently implemented by service providers. This research also seeks to uncover every violation of consumer rights that has occurred. In addition, this research will examine the dispute resolution mechanism practiced in the field. It will further investigate the main obstacles faced in implementing consumer protection laws. Thus, the findings are expected to provide a comprehensive picture of the current state of consumer protection in the services sector. The main objective is to support the formulation of a more contextual consumer protection policy. The selection of Tomohon as a research area offers a local perspective that can be replicated in other small towns.

This research has implications for the legal, social, and public policy domains. Legally, these findings can be the basis for the preparation of derivative regulations or technical guidelines for service providers. Socially, this research can increase public awareness of the importance of consumer protection in daily life. The results can also be used by educational institutions to enrich their curriculum on consumer law. For local governments, the study highlights weaknesses in consumer protection oversight. Another implication is the need to strengthen local dispute resolution institutions such as BPSK. These findings can also serve as indicators to evaluate the effectiveness of ongoing legal outreach programs. For business operators, this study underscores the importance of carrying out responsible and ethical service practices. This will foster a fair and sustainable service ecosystem.

Based on the expected results of this study, several strategic recommendations can be made. First, there must be increased legal outreach to service business actors, especially in areas that lack education programs. Second, strengthening local consumer protection institutions such as BPSK Tomohon must be prioritized. Third, local governments must develop legal aid programs for MSMEs in the service sector. Fourth, consumers also need to be educated about their rights through accessible media. Fifth, collaboration between the government, academics, and business actors is needed to design fair service standards. Sixth, an integrated reporting and monitoring system is needed to effectively handle consumer complaints. Seventh, practical guidance for business actors in implementing consumer protection laws must be issued. Finally, regular follow-up research should be conducted to monitor the development of law enforcement in this area.

METHOD

This study uses a descriptive quantitative approach (Taherdoost, 2022) through a survey method to gain empirical insight into the implementation of consumer protection laws by service business operators in Tomohon City. In the context of legal research, this method is used to measure the extent to which the legal norms regulated in Law Number 8 of 1999 concerning Consumer Protection have been internalized and applied by the legal subject, namely the service provider. The legal analysis in this study is not only normative but also examines the implementation of actual legal norms in social practice. Tomohon City was chosen as the research location because of its status as a tourist destination in North Sulawesi with rapid growth in the service sector. This makes it a representative area to study business actors' compliance with consumer protection principles. The research was conducted in 2025 with data collection taking place over a period of one month. The sampled service businesses include sectors such as tourism, culinary, personal care, and domestic services.

The sample in this study consisted of 30 respondents who were deliberately selected based on criteria including having been operating for at least six months and willingness to participate. Each respondent is an active service business owner in Tomohon with direct interaction with consumers. The main research instrument was a closed-ended questionnaire consisting of 25 structured

questions. These questions are developed based on core legal principles of consumer protection, such as the right to information, the right to security, the right to be heard, and the obligation of business actors to act honestly and responsibly. Data collection was carried out through the distribution of direct questionnaires with the help of limited interviews when needed. In the context of empirical legal research, this instrument aims to determine the extent to which legal norms function as a reference for business behavior. The validity of the instrument is ensured through pilot testing and revision before full implementation.

Data were analyzed using descriptive quantitative techniques (Anderson et al., 2019; Espadoto et al., 2019; Shano et al., 2020) through the calculation of the frequency and percentage of respondents' answers. Each key indicator—such as the level of legal understanding, the form of protection provided, the experience of violations, dispute resolution mechanisms, and legal barriers—is presented using a bar chart for clearer interpretation. This visualization is the basis for drawing conclusions about the effectiveness of law enforcement in the field. Graphical analysis reveals important variations in the understanding and application of the law among service business operators. In legal research, the data serves as empirical evidence that strengthens the argument for the need to strengthen the application of legal norms in the service sector. The analysis also examines the alignment between field practice and positive legal norms. Thus, this empirical approach complements the normative legal framework that usually dominates consumer law studies.

This method allows researchers to understand not only the existence of legal norms but also how they are practiced in the context of the local economy. Such an approach is essential for developing a responsive legal system that is adapted to social realities. Findings from the field serve as a basis for formulating more effective and contextual legal policies. This research also provides space for institutional evaluation, such as the effectiveness of BPSK and the role of local governments in monitoring business practices. By bringing law closer to social reality, this approach strengthens the function of law as a tool of social engineering. Empirical legal studies like this are essential to assess the success or failure of the implementation of the law. Therefore, the methodology used in this study not only produces statistical data but also a comprehensive and applicable legal understanding.

RESULTS AND DISCUSSION

RESULT

This study presents an empirical picture of the level of understanding among service business actors regarding consumer protection laws in Tomohon City. Data was obtained through the distribution of questionnaires to 30 respondents representing various service sectors. The analysis is carried out using descriptive quantitative methods and visualized through a bar chart for easier interpretation. Each finding is compiled based on key indicators directly related to the implementation of Law Number 8 of 1999 concerning Consumer Protection.

1. Level of Understanding of Consumer Protection Laws

The following chart illustrates the distribution of service business operators' understanding of Law Number 8 of 1999 concerning Consumer Protection. The categories used include: High, Medium, and Low. Most respondents were in the Medium category, followed by the High category, with the least in the Low category. This shows that the majority of business operators have an adequate, though not entirely comprehensive, understanding of the applicable legal regulations.

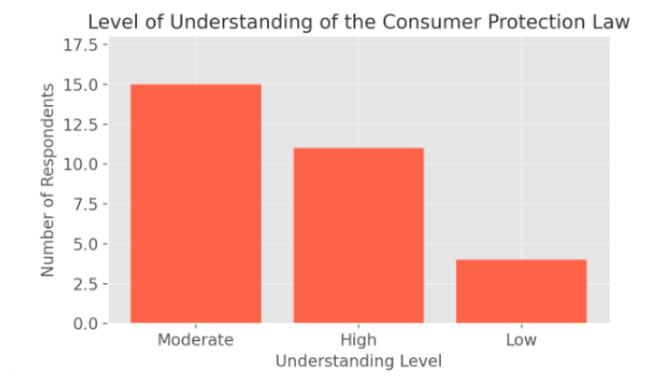


Figure 1. Definition of the Consumer Protection Law

2. Consumer Protection Provided

The following chart presents the types of consumer protections reported by business operators. The categories of protection consist of Provision of Information, Guarantee of Service, Compensation, and No Protection. The highest number of responses falls into the Information Provision category, while the Unprotected category shows a smaller, but still existing, number of responses. It shows the variation in the forms of protection applied by business operators in actual practice.

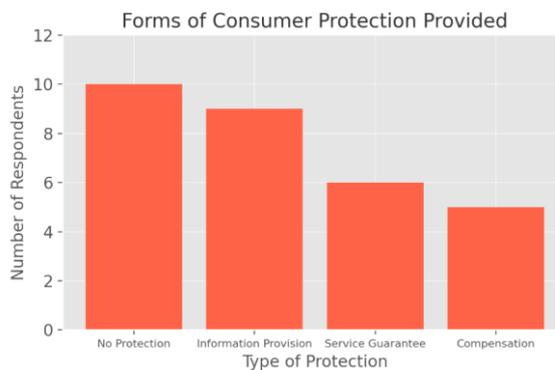


Figure 1. Definition of the Consumer Protection Law

3. Consumer Rights Violation Cases

The following chart illustrates the frequency of consumer rights violations as reported by business operators. The available response options are limited to two: "Yes" and "No". The chart shows that the majority of respondents indicated that no violations occurred in their business. Meanwhile, a small percentage of respondents admitted that violations of consumer rights had indeed occurred.

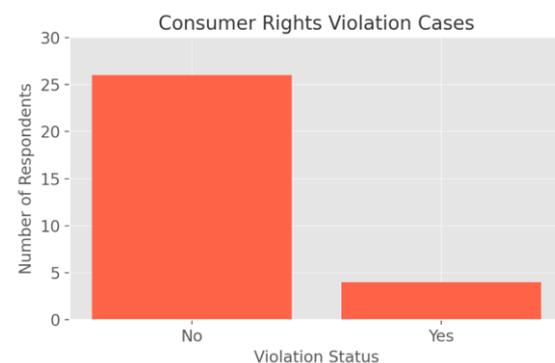


Figure 3. Consumer Rights Violation Cases

4. Dispute Resolution Mechanism

The chart below shows the various dispute resolution methods used by business operators when handling consumer complaints. The response categories include Internal Mediation, BPSK (Consumer Dispute Resolution Agency), No Action Taken, and Through the Police. Most respondents chose Internal Mediation as their preferred method of resolving issues. A small number of respondents reported using formal channels such as BPSK and the Police. There are also respondents who indicated that no action was taken in response to consumer complaints.

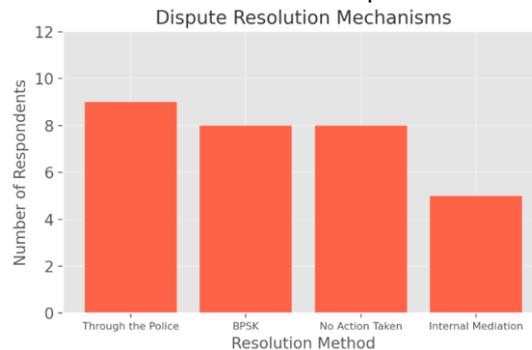


Figure 4. Resolution Mechanism

5. Obstacles to the Implementation of the Consumer Protection Law

This chart illustrates the various obstacles faced by business actors in implementing legitimate consumer protection. Barrier options include Lack of Legal Awareness, Limited Oversight, Procedural Fees, and No Barriers. The highest number of responses falls into the category of Limited Oversight, followed by Lack of Legal Awareness. Meanwhile, Procedural and Unhindered Costs are in the lower category, but are still identified in the data.

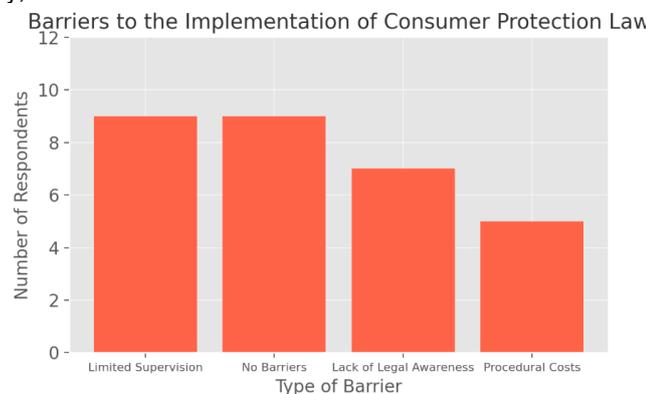


Figure 5. Implementation of the Consumer Protection Law

Discussion

1. Level of Understanding of Consumer Protection Laws

Findings on the level of understanding of Law No. 8 of 1999 concerning Consumer Protection show significant variation among business operators. The majority of respondents fall into the moderate category, showing a partial understanding of the core principles of the law. This trend is likely to stem from the spread of inadequate legal norms by local authorities or relevant agencies. High legal awareness is usually shown by business actors with formal legal exposure or extended business tenures (Hall & Martin, 2019; Libson & Parchomovsky, 2022; Selznick, 2020). In contrast, those who operate informal micro-enterprises tend to have limited or fragmented legal insights. Understanding the law is a prerequisite for fostering legal awareness and behavior that is consistent with consumer rights jurisprudence. In the absence of an adequate understanding, the practical

enforcement of consumer protection norms becomes largely symbolic. Therefore, this data confirms the critical need for structured legal literacy initiatives among service sector actors.

The moderate prevalence of legal knowledge indicates that the law has not been internalized as a normative guide in routine business behavior. Although many business actors are aware of the existence of such laws, they often do not have the capacity to articulate rights and obligations in legally correct terms. This underscores the failure of the law to operate as a behavioral directive in the service economy. The intangible nature of the service makes compliance with regulations dependent on normative and ethical commitments (Delacroix & Lawrence, 2019; Lee, 2020). Fragmented understandings leave business operators vulnerable to unintentional violations of consumer rights. Therefore, informal educational interventions, including community-based legal clinics and regulatory workshops, are essential. Local governments should institutionalize these interventions to reduce information asymmetry. In the absence of such structural support, the consumer protection framework risks remaining largely aspirational.

The small proportion of respondents with high legal literacy highlights the potential for normative improvement. Trade associations and micro-business cooperatives can serve as intermediaries to disseminate the legal framework (Schwettmann, 2022; Smith, 2021). This study illustrates that legal norms have not penetrated the business culture of informal service providers. Unlike formal sector companies with access to legal counsel, smaller actors often view regulatory compliance as a bureaucratic burden. This misunderstanding undermines the strategic value of legal compliance in fostering consumer trust. Business actors who are equipped with legal awareness are more likely to maintain the quality of service and avoid violating the law (Davis-Barrett, 2019; Head Value, 2020). Therefore, legal education should be framed not only as a compliance tool but as a strategic asset. Institutionalizing this perspective can improve the standard of service delivery in the local economy.

These findings reaffirm that legislative enactment alone is not enough to achieve substantive consumer protections. If legal understanding remains low or moderate, voluntary compliance with regulatory norms is not possible. Law should be contextualized through participatory legal socialization strategies rather than simply imposed through top-down mechanisms (Lehoucq & Taylor, 2020; Schaaf et al., 2020). Legal aid embedded in a business development program can provide a long-term solution. Integrating legal education into MSME capacity building initiatives can increase the internalization of regulations. The regulatory body must mandate legal literacy modules in entrepreneurship programs. Without a strong implementation strategy, legal mandates risk becoming ineffective codification. These findings highlight the need to foster a legal culture in the service sector economy.

2. Forms of Consumer Protection Provided

The analysis revealed that the most commonly practiced form of consumer protection is the provision of information. Transparency in service delivery is a fundamental pillar of consumer autonomy and informed consent. This shows the recognition that is emerging among business operators of communicative obligations embedded in consumer-business relationships. However, other protection mechanisms such as service guarantees and compensation solutions remain underutilized. This lack of utilization reflects a gap in the operationalization of substantive justice as envisioned by the consumer protection regime. The persistence of the response that indicates the absence of consumer protection signals a normative deficit in business practices. Such practices are contrary to the principles of fairness enshrined in consumer protection laws. The data underscores the urgent need to institute law-compliant service standards across sectors.

Consumers who lose protection mechanisms beyond the mere provision of information, face increased vulnerability in the event of a service failure. Under consumer law, business actors are not only required to inform but also to restore and ensure accountability. Mechanisms such as a compensation system and satisfaction guarantee should be an integral component of consumer service protocols. Nonetheless, informal sector businesses often do not have a formal complaint

handling system. This creates a normative vacuum where the enforcement of consumer rights becomes discretionary rather than mandatory. Business actors often misunderstand their legal obligations as optional, exacerbating non-compliance with regulations (Martinez, 2020). The law mandates preventive and corrective measures, and operational ignorance of this duality undermines the efficacy of the law. Thus, legal awareness must be translated into actionable service frameworks.

The presence of respondents who indicate the absence of consumer protection practices reveals systemic challenges in instilling legal norms. These operators may treat consumer relationships as purely transactional, ignoring post-sales obligations. Such an attitude is contrary to the consumer legal regime, which prioritizes fair remedies and informed transactions. Business models that do not have embedded accountability mechanisms risk sanctions and reputational damage. However, consumers rarely escalate complaints due to limited legal literacy or unwillingness to engage in hostile channels. This perpetuates a weak law enforcement ecosystem where business impunity is normalized. Strengthening rights awareness and law enforcement pathways is essential to redress this imbalance. Institutional actors should proactively incentivize voluntary legal compliance through the rewards and recognition framework.

These findings point to a broader need to recalibrate service delivery norms in accordance with statutory obligations. Consumer protection should be operationalized through accessible and simplified standard operating procedures tailored to the local service industry. Government agencies can disseminate model templates for customer relations and complaint management. Service operators should be equipped with a practical toolkit to translate legal obligations into routine operations. Workshops that combine service ethics and legal compliance simulations can bridge the gap between awareness and implementation. Certification schemes that recognize compliance with consumer protection standards can serve as a motivational benchmark. Consumer rights campaigns should simultaneously educate the public about rights and accountability frameworks. A collaborative governance model can thus ensure balance in the services market.

3. Consumer Rights Violation Cases

An analysis of consumer rights violations revealed that the majority of respondents reported no such incidents in their business. On the surface, these findings may reflect a sincere commitment among business operators to uphold consumer rights. However, the data requires careful interpretation, as it can be influenced by underreporting or social desire bias. Business owners may be reluctant to disclose violations for fear of reputational damage or regulatory scrutiny. In addition, subtle forms of rights violations—such as misinformation or service delays—can be normalized or ignored. The lack of standard service benchmarks exacerbates this ambiguity, blurring the line between negligence and intentional violation. In such a context, non-reporting does not equal non-existent. As a result, the reliability of self-reported compliance must be triangulated with external monitoring mechanisms.

A small percentage of respondents acknowledged examples of past human rights abuses, signaling a level of legal self-awareness and institutional honesty. This recognition is an opportunity for regulators to engage constructively with businesses in need of improvement support. Businesses that recognize service deficiencies may have an easier time receiving targeted training and compliance audits. These self-identified gaps also highlight areas where legal standards are misunderstood or applied ineffectively. Governments and civil society organizations can leverage these insights to design capacity-building interventions. Instead of punishing disclosure, the framework should reward transparency and good-faith efforts to improve. Such an approach is in line with the principles of restorative justice, promoting accountability without alienation. Building a culture of legitimate service requires open channels for feedback and correction.

Limited recognition of rights violations may also indicate the absence of formal consumer complaint procedures. Informal businesses often do not have a documented grievance redress system, making it difficult to classify and respond to service-related violations. Without an institutionalized mechanism, consumer complaints may go unrecorded, reinforcing the cycle of

impunity. Lack of procedural clarity hinders the identification and settlement of consumer losses. Therefore, regulatory authorities must develop an accessible and low-cost reporting system. Public awareness campaigns should also inform consumers about their rights and available redress channels. Embedding these systems in business processes increases accountability and trust. Structural support, not punitive action, is key to improving compliance outcomes.

Overall, the data underscores the need to establish transparent, enforceable, and user-friendly mechanisms to identify and address rights violations. Consumers should feel empowered to voice complaints without fear of retaliation or dismissal. Similarly, business actors must be equipped with tools and incentives to proactively resolve complaints. Agencies such as the Consumer Dispute Resolution Agency (BPSK) must be more visible to be involved at the community level. Data from this mechanism can be incorporated into national policy formulation, strengthening systemic improvements. Promoting a feedback-oriented service environment reduces the hostile nature of consumer-business interactions. Thus, strengthening the rule of law in market governance. A consumer-centric model of justice must be rooted in institutional transparency and legal literacy.

4. Dispute Resolution Mechanism

Data on dispute resolution mechanisms reveal a preference for informal channels, particularly internal mediation. Many business operators try to handle complaints directly with consumers, avoiding third-party adjudication. This preference likely stems from perceived efficiency, cost-effectiveness, and familiarity with informal mechanisms. While internal mediation can encourage a peaceful settlement, its efficacy depends heavily on fairness and goodwill on both sides. Such informal resolutions often lack documentation, creating challenges to accountability and legal avenues. Although informal methods have a pragmatic function, they should not replace institutionalized alternatives. Legal pluralism must be balanced with formal safeguards to uphold procedural justice. Therefore, informal mechanisms should be complemented by formal access to justice.

A smaller proportion of respondents reported using formal dispute mechanisms such as BPSK or police involvement. This indicates limited engagement with the state-approved legal framework for consumer redress. Despite their availability, these formal channels are underutilized due to lack of awareness, bureaucratic complexity, or perceived incompetence. Regulatory bodies should increase the visibility and proximity of these mechanisms to increase consumer and business participation. Outreach initiatives can involve mobile law clinics, multilingual helplines, or simplified procedural guidance. Business actors must be educated about the legal position and procedural benefits of BPSK mediation. If necessary, incentives should be provided to encourage participation in formal resolution schemes. Bridging the gap between legal availability and actual utilization is critical to regulatory legitimacy.

The existence of a response that indicates "no action taken" is a serious problem. This suggests that some businesses do not acknowledge or respond to consumer complaints, effectively nullifying the purpose of protection legislation. Such disregard for consumer welfare erodes trust and invites reputational damage. More importantly, it is contrary to the constitutional and statutory guarantees afforded to consumers. Regulatory bodies should issue clear directives mandating minimum standards for complaint handling. Failure to comply will prompt administrative sanctions or corrective mandates. However, compliance must be driven by the internalization of norms rather than coercion. Fostering a normative responsive culture is more sustainable than punishment enforcement alone.

These findings call for an integrated dispute resolution ecosystem that includes both formal and informal pathways. The legal framework should support diverse access to justice while maintaining standards of justice and equality. The digital platform can be used to facilitate the filing of complaints and the tracking of settlements in real-time. Businesses must receive training in basic legal compliance and conflict resolution. Certifications may be awarded to entities that demonstrate exemplary consumer service protocols. Periodic monitoring and public reporting of dispute resolution

results can increase transparency. Ultimately, the multi-tiered dispute architecture strengthens market accountability and strengthens consumer protection regimes.

5. Obstacles to the Implementation of the Consumer Protection Law

The study identified limited oversight as a major barrier to the effective implementation of consumer protection laws. Inadequate oversight allows for irregularities in compliance and fosters a culture of regulatory disregard. Without active monitoring, legal mandates remain aspirational rather than operational. Supervision should not be limited to government agencies alone but should include consumer and civil society supervisors. Participatory monitoring frameworks can drive local accountability and responsiveness. Government agencies should consider establishing multidisciplinary inspection units to address sector-specific challenges. The presence of regulators on the ground acts as a deterrent to non-compliance. In addition, supervision should be complemented by educational involvement to build cooperative compliance.

Lack of legal awareness emerged as the second most cited barrier among respondents. Many business actors are not familiar with the substantive and procedural dimensions of consumer law. This ignorance is particularly prominent among micro and informal companies. These actors often prioritize operational survival over legal compliance. Legal illiteracy leads to unintentional violations and undermines the legitimacy of the consumer protection framework. Therefore, regulatory literacy must be mainstreamed into entrepreneurship development programs. Legal awareness campaigns should be tailored to the linguistic and cultural context of the target community. Building legal awareness is essential to transform passive subjects into proactive rights holders.

Procedural costs are also reported as a barrier to legal involvement. Business operators consider legal proceedings to be expensive, time-consuming, and hostile. This perception prevents them from pursuing formal channels of dispute resolution or compliance certification. In fact, many of these procedures—such as BPSK mediation—are free of charge or subsidized. The disconnect between perception and reality highlights the need for clear communication about the legal process. Simplifying procedural requirements and reducing administrative burden will further encourage compliance. Authorities must disseminate transparent details of costs and timetables for each legal avenue. Ensuring affordability and procedural clarity is key to inclusive access to justice.

Some respondents reported finding no significant barriers to implementation. While this may indicate existing compliance or ignorance of the underlying liability, this requires a deeper examination. The perceived lack of barriers can be due to limited consumer interaction or the absence of reported complaints. The regulatory body cannot equate silence with satisfaction. Periodic audits and qualitative assessments can reveal latent problems that are not caught in self-reporting. Even businesses that claim smooth implementation must be integrated into the broader compliance ecosystem. Their practice can serve as a benchmark for others and contribute to a framework of best practices. Inclusivity in compliance assessments ensures a holistic understanding of the regulatory landscape.

CONCLUSION

This study underlines the important role of legal awareness in the implementation of consumer protection in the service sector. These findings reveal a moderate level of legal understanding among most business actors, which poses challenges to the internalization of legal obligations. The provision of information remains the most common form of protection, but other important measures such as compensation and service guarantees are underutilized. In addition, the low incidence of formal dispute resolution and the existence of regulatory gaps indicate an urgent need for institutional reform. The absence of a consumer complaint mechanism further exacerbates this challenge, highlighting the limitations of accountability within many service companies. Therefore, fostering a culture of literacy and legal responsibility is essential to align business

practices with consumer rights jurisprudence. Collaborative efforts between regulators, civil society, and business are critical to achieving this alignment.

Barriers to implementation—especially lack of oversight and ignorance of the law—point to systemic shortcomings that cannot be addressed through regulation alone. Ongoing compliance requires a tiered strategy that involves legal education, participatory oversight, and incentivized best practices. Informal businesses in particular should be prioritized in outreach and capacity-building initiatives. Without such efforts, the gap between formal legislation and actual practice will remain, undermining the effectiveness of consumer protection laws. Addressing misconceptions about legal fees and procedures is equally important in uncovering the justice system for small business owners. By increasing transparency and simplifying access, authorities can foster broader engagement with the legal framework. Ultimately, empowering business actors with legal competence will strengthen not only individual business entities but also the integrity of all service sectors.

Given these findings, a transformative approach to consumer protection is needed—one that places legal compliance in the broader context of ethical entrepreneurship. Businesses should be encouraged to view consumer rights not as a regulatory burden, but as an integral part of sustainable service delivery and building trust. Public education campaigns and model standard operating procedures can help instill these values at the grassroots level. Simultaneously, award-based frameworks such as certification or public recognition for compliant businesses can encourage voluntary compliance. Shifts toward proactive regulation and restorative justice models can bridge the gap between regulation and relational trust. Legal infrastructure must evolve to accommodate the realities of the informal economy without sacrificing legal standards. The synergy between regulatory enforcement and values-based business culture is critical to systemic change.

Ultimately, this study contributes to the growing discourse on legal pluralism and consumer justice in emerging markets. It emphasizes that a strong legal framework must be complemented by inclusive governance and accessible enforcement pathways. By integrating law, education, and ethics, stakeholders can ensure that consumer protection becomes a lived reality rather than a symbolic ideal. The research highlights actionable insights for policymakers, development agencies, and legal reformers seeking to improve market accountability. Future studies may expand the scope of the analysis to include comparative regional assessments and longitudinal evaluations. Thus, the empirical foundation for consumer law reform will be strengthened. Such work is essential to maintaining a fair, legitimate, and responsive service economy in Tomohon and beyond.

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