

A Study On Consumer Behaviour Towards Fmcg Products In India

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Abstract

In their daily lives, individuals depend on FMCG products. People can benefit personally from it, which is its value. According to the study above, FMCG firms are in a position to provide good service to consumer satisfaction in a way that is both good quality and simple to reach. The study's goal is to examine customer attitudes regarding fast-moving consumer goods. As can be shown from the studies, age, gender, educational attainment, and occupation did not significantly correlate with FMCG product purchasing behaviour.

The fourth-largest sector of the Indian economy is FMCG. The industry demonstrates traits like low capital expenditure, brand switching, relatively little customization, and similar things. Marketing professionals require brand acceptance and exposure. The digital age offers many of chances for marketers to exploit and expand their customer bases. The FMCG sector has unrealized potential in the rural areas. The widespread adoption of technology is a trend that will continue to advance. The FMCG industry can draw attention and adjust to market trends.

Keywords: FMCG industry, Marketing professionals, Brand, Consumer satisfaction, capital expenditure.

Introduction

The fourth-largest sector in India is fast-moving consumer goods (FMCG). The industry is fragmented, and the urban area accounts for around 60% of total income. The nation, which has 138 crore people, offers a variety of options. The industry has changed to meet the evolving requirements of the consumer, and marketing has followed technology and online platforms. Small and emerging businesses have been successful in competing against more well-known, larger brands. According to a Google-BCG research, digital marketing will increase FMCG consumption in India by \$50 billion by 2020. A digital platform would account for 40% of this. Digital. The majority of India's non-metros account for more than 650 million of the country's internet users. The FMCG sector's revenues would greatly increase as a result of this.

FMCG products are those with a short turn-around time and low cost. Products that are replaced within a year are considered disposable. A wide range of often purchased consumer items, such as soap, toothpaste, deodorant, and toiletries, as well as other non-durables including glassware, light bulbs, batteries, paper products, and plastic goods, are examples of FMCG. Pharmacies, consumer electronics, packaged foods, soft drinks, paper products, and chocolate bars are also examples of FMCG.

Products with a rapid turnover and a low price are known as fast moving consumer goods. Compared to other products, FMCG purchases typically receive less consideration from consumers. Even while FMCG products make a relatively tiny profit in absolute terms, they are typically sold in enormous quantities. As a result, profit in FMCG products typically scales with sales volume rather than profit per unit.

Table 1 FMCG Product Categories

Category	Product
Personal Care	Shampoo
	Facial Cream
	Bathing Soap
	Toothpaste
	Talcum Powder
	Hair Oil
Food and Beverages	Biscuits
	Instant Noodles
	Candies/ Chocolates
	Chips
	Tea Leaves
	Coffee
	Jams
	Sauces
Household Care	Detergents
	Dish Wash
Health Care	Ointments/Tablets

Source: www.about-fmcg.com

Objective of the Study

- 1) To examine customer behaviour with regard to buying decisions for fast-moving consumer items.
- 2) To investigate consumer pre-purchase habits for quickly moving consumer items.
- 3) To investigate the buying habits of consumers when it comes to fast-moving consumer items.

Review of literature

Bernard (2018) notes the fierce competition in the FMCG industry. He makes the argument that, given the current business climate, a fresh look is needed at the financial performance of FMCG corporations in India.

Keshri 2020 claims Customers now have access to personalised information thanks to digital media. According to Dr. Satyendra Narayan Singh, the brands' personalised information has more accurately addressed consumers' requirements and preferences.

Krishnamani (2019), digital marketing and advertising have exponentially increased sales. The ROI has increased as compared to traditional marketing forums thanks to digital media.

Negate Ahuja (2015), a brand affects a consumer's happiness level and buying habits. In the clothing industry, a brand is viewed as a status symbol that denotes factors such as quality, size, social standing, economic level, etc. The author draws the following conclusion: If a customer has a positive perception of a brand and is satisfied with it, they will not switch to another brand unless a suitable substitute is offered.

Ananda Kumar and S. Babu (2014), a wide range of factors have a sizable impact on consumers' purchase decisions. For which the researcher used a few statistical techniques, including the percentage approach, the weighted average method, and finally the descriptive method. The products mentioned here were dairy items.

Research Methodology

A descriptive study was the best option for doing the research, but the researcher ultimately decided to employ a survey research methodology. Customers who purchase FMCG goods in Delhi City are the study's target audience. A non-probability sampling strategy was employed in the investigation. Due to time constraints and a lack of understanding of the entire universe, convenience sampling was utilised to choose responders. The study will use a 100-person sample size.

Data Collection

Data is gathered using a structured questionnaire. Simple random sampling is used for the sampling process. The primary data was gathered using the survey approach, and a questionnaire was created. Secondary Data taken from Books and websites were recommended. Sample Size Given the size of the population, 100 people participated in the survey.

Data analysis and Interpretation

The data analysis and interpretation provided in this article are helpful. In order to draw a conclusion from the research, the data collected from respondents who are from Bengaluru who ordered FMCG products online are reviewed and interpreted.

Table 2 Cross Tabulation of Age and FMCG Product Category

Age	FMCG Product Category				Total
	Personal Care	Food and Beverages	Household Care	Health Care	
25-30	2	4	22	8	36
30-35	10	4	2	2	18
35-40	4	6	6	6	22
40-45	6	2	4	2	14
45 and above	0	0	2	8	10
Total	24	16	36	26	100

(Source-Primary Data)

The sample respondents are drawn from the city of Bengaluru who orders FMCG products online. The age classification of the respondents, are identified in five classification category. 36 respondents are in the age group of 25-30 years which is the highest in the identified data set. Among them, 22 respondents order the Household Care products online. The respondents in the age category of 35-40 account for 22% of the total respondents. The household care is the highest ordered FMCG product from the sample respondents. The health care products rank second in the order

Table 3 Gender and Device used in the ordering of FMCG products

Gender	Device used			Total
	Mobile	Laptop	Desktop	
Male	28	14	8	50
Female	38	2	10	50
Total	66	16	18	100

(Source-Primary Data)

The sample respondents' gender information reveals a balanced distribution of male and female respondents. The gender is dependent on the respondents' accessibility throughout the random selection process. It is clear that 66% of the responses overall are female. Male respondents make up 50% of the sample. The vast majority of respondents order things using their mobile devices. 16 respondents use a desktop, while four respondents use a laptop.

Table 4 Employment of the Respondents

Employment	Number	Percentage
Self-Employed	22	22
Business	20	20
Professional	16	16
Service sector	26	26
Others	16	16
Total	100	100

(Source-Primary Data)

The study's sample respondents' employment information is categorized into five groups. 26% of all workers are in the service industry, followed by 22% of self-employed people. One-fifth of the total responses are those who are employed by the company. There are sixteen professionals.

Table 5 FMCG Product Category

FMCG Product Category	Frequency	Percent
Personal Care	22	22.0
Food and Beverages	16	16.0
Household Care	36	36.0
Health Care	26	26.0
Total	100	100

(Source-Primary Data)

The categories of FMCG products are broken down into four subcategories: personal care, food and beverage, household care, and health care. The majority of orders for home care items are placed online. Next in queue for orders are personal care items, then health care items. It is essential to receive a resounding yes from every age group.

Table 6 Category of FMCG products on Consumer Behaviour

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Brand awareness	Between Groups	26.211	6	4.241	2.430	.039
	Within Groups	79.336	94	1.749		
	Total	95.479	100			
Collaborate with famous influencers	Between Groups	13.853	10	3.843	2.042	.000
	Within Groups	84.147	90	1.697		
	Total	101.894	100			

(Source-Primary Data)

The ANOVA result demonstrates the link between the FMCG product category and its Consumer Behaviour. Regarding the category of FMCG Products, the results for brand awareness and collaboration with well-known influencers do not differ significantly (P-0.05). We can therefore draw the conclusion that the category of FMCG products affects the company's digital marketing operations.

Table 7 Association between FMCG Products on Consumer Behaviour

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Absence of e-Commerce laws	Between Groups	13.213	9	4.521	2.214	.007
	Within Groups	81.105	90	1.763		
	Total	94.420	99			
Low entry barriers	Between Groups	18.065	9	6.365	2.547	.013
	Within Groups	100.015	90	2.147		
	Total	118.080	99			
Rapidly changing business models	Between Groups	19.275	9	7.079	2.413	.023
	Within Groups	80.805	90	1.635		
	Total	100.080	99			
Urban phenomenon	Between Groups	17.790	9	6.542	3.141	.033
	Within Groups	82.690	90	1.69		
	Total	100.480	99			
Shortage of manpower	Between Groups	15.863	9	4.754	2.107	.101
	Within Groups	100.631	90	2.359		
	Total	116.694	99			
Customer loyalty	Between Groups	18.967	9	5.794	2.279	.028
	Within Groups	81.268	90	1.748		
	Total	100.245	99			

(Source-Primary Data)

The ANOVA result demonstrates the link between the FMCG product categories and the difficulties with digital marketing. Regarding the FMCG product category, the results for the sample respondents differ considerably (p 0.05) in relation to the absence of e-Commerce legislation, low entry barriers, rapidly changing business models, urban phenomena, and customer loyalty. With regard to the shortage of labour, the results for all respondents in Delhi city are significantly different (p>0.05). The table above indicates that there is a link between the categories of FMCG products and the issues with consumer behaviour.

Conclusion

In their daily lives, individuals depend on FMCG products. People can benefit personally from it, which is its value. According to the study above, FMCG firms are in a position to provide good service to consumer satisfaction in a way that is both good quality and simple to reach. The survey findings offer adequate proof that FMCG items are of a high standard of craftsmanship and have a positive brand reputation among customers who have used and continue to use them. These elements will surely help to improve the perception of the brand and the goods. The company also has a sizable network of salespeople. But one shouldn't be satisfied with their present achievement in a field where competition is fierce. If increased competitive efficiency is to be sustained, product planning and market development should be ongoing.

For FMCG items to succeed in the marketplace, innovative strategies are needed. Product penetration and consumption levels can increase with the aid of the less fortunate groups in society. The adherence of consumers to FMCG products makes marketing challenging. The product selection needs to take into account the shifting tastes, preferences, and needs of the consumer base. Indian retail is a very cutthroat industry. Every family's monthly budget includes a considerable amount for FMCG items. The FMCG industry must step up; aggressive sales promotions, fierce competitive strategies, and better distributional efforts in digital marketing will help the industry penetrate markets more thoroughly and increase sales.

The psychological factors (health concerns, risk perception of contracting the virus, change in time spent shopping, deviations from shopping list, likelihood of spending more time shopping and buying new products, and impact of changes in income) were compared to the respondents' demographic characteristics (age, gender, educational attainment, marital status, occupation, and annual income), and the differences were found to be statistically significant. Contrasts or post hoc (multiple comparisons) tests, however, are needed to determine which specific pairs of means are statistically different.

The study's conclusions have significant business ramifications. If FMCG sales are to be praised, retail establishments must address the psychological fear and worry. Retail establishments must use best practices that provide customers a sense of safety and security. This will extend customers' shopping sessions, which will inevitably lead to an increase in impulse purchases.

The primary drawback of the current study is the extremely small sample size used for data collection. The same procedure can be used on a bigger sample to increase the reliability of the findings. Furthermore, the study excluded online shopping and only examined in-store purchases. Additional research can be done by contrasting impulse buying patterns between in-store and online purchases.

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