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A Study on Consumer Buying behaviour Towards FMCG Products with Special Reference to Cosmetics in Coimbatore City

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ABSTRACT

The Indian FMCG sector is the fourth largest sector in the economy with a total market size of Rs 167,100 Crores. The market is estimated to grow to US$ 100Billion by 2025. According to Market research Firm Nielson. It has a strong MNC presence and is characterized by a well – established distribution network, intense competition between the organized and unorganized segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage. Also, increase in the urban population, along with increase in income levels and the availability of new categories, would help the urban areas maintain their position in terms of consumption. At present, Rural mindset is open to consumption of newer, more contemporary food categories and as a result, drives consistent growth. Rural India accounts for more than 700 million consumers or 70 percent of the Indian population and account for 40% of the total FMCG Market.

1. INTRODUCTION

Consumer is one who consumers the goods and services product. The aim of marketing is to meet and satisfy consumer needs and wants. The modern marketing concept makes customers the center stage of organization efforts. Consumer behaviour can be defined as the decision making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. The definition clearly brings out it is not just the buying of goods and services that receives attention in consumer behaviour. but the process starts much before the goods have been acquired or brought. Consumer Buying Behaviour is the study of how individuals make decisions to spend their available resources (time, effort, money) on consumption related item.

FAST MOVING CONSUMER GOODS (FMCG)

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars. Subsets of FMCG are Fast

Moving Consumer Electronics which include innovative electronic products such as mobile phones, MP3 players, digital cameras, GPS Systems and Laptops. These are replaced more frequently than other electronic products. White goods in FMCG refers to household electronic items such as Refrigerators, T.V, Music Systems etc.,. Fast Moving Consumer Goods (FMCG) are popularly named as consumer package goods. Items in this category include all consumables (other than groceries / pulses) that people buy at regular intervals. The most common in this list are toilet soap, Detergents, shampoos, toothpaste, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods.

2. REVIEW OF LITERATURE

Vaishnani (2018) Examined and measured brand equity perception with reference to sales promotion schemes for selected FMCG products and it is concluded that there is no significant difference between of brand equity perception among gender as one of the demographic variables. Apart from it, it is concluded that there is significant difference between brand equity perceptions among various employment status. Adding to it, it is clear that self-employed consumers compare to not employed consumers perceive sales promotion schemes less favorably. Furthermore, it is concluded that there is no significant difference between brand equity perception and educational qualification.

Jain and Sharma (2017) 3Analyzed the brand awareness and customer preference for FMCG products in rural market and found that among various factors like quality, price, easy availability, family liking, advertisement, variety, credit attributes of brand preference; the quality is the first preference in case of brand choices and rural people give least preference to variety and credit attributes. It is also concluded that there is a positive impact of media on brand preference of FMCG products among customers.

Bijuna C Mohan (2016) [4]Measurement of brand equity has posed a big challenge to the companies in the Indian fast moving consumer goods (FMCG) industry. This paper investigates the impact of brand equity on the operational performance of businesses in the Indian FMCG industry. The research study adopts descriptive and exploratory approaches. The results indicate that there is correlation between brand equity and operational performance of business. The practical implications of the findings are that brand equity has to be effectively managed for improved operational performance of business.

3. STATEMENT OF THE PROBLEM

The statement of the problem focuses on changing the preference of customers because Now-a-days, many varieties of shampoo, bathing soap, toothpaste, fairness cream and beverages are available in the market. So the users are not in position to identify and select a particular brand. In the process of taking a decision to buy a product, depends on the nature of that particular product. The market is now filled with range of FMCG products with different brand names offering the customers the latest products.

4. NEED AND SCOPE OF THE STUDY

In the present study, the consumers of Hair oil, Shampoo, Face wash, Bathing soap, Face cream are selected as respondents from Coimbatore District of Tamilnadu. It can be used to understand the consumer's preference and expectations, and how well they get satisfied with the usage of the FMCG products. The study gives the quantitative information about the consumer's preference towards the FMCG products, which may help product to gain their actions. It is essential for marketers to understand customers to purchase and succeed in the competitive marketing environment.

5. OBJECTIVES OF THE STUDY

- ➢ To know consumer awareness towards the FMCG products
- ➢ To analyze the factors influencing the buying behavior of FMCG products
- ➢ To know the problem faced by the consumers while buying FMCG products
- ➢ To study about the consumer's satisfaction towards FMCG products

6. RESEARCH METHODOLOGY

The Research Methodology is a science that studying how research is done scientifically. It is a specific procedures or techniques used to identify, select, process, and analyze information about a topic. Also defines the way in which the data are collected in a research project.

RESEARCH DESIGN

The present study proposes to cover the consumer preference towards Fast Moving Consumer Goods in Coimbatore City. The research design has been used in order to describe the consumer's attitude towards the FMCG products.

AREA OF THE STUDY

The area of study is limited to Coimbatore city. Coimbatore District is one of the more affluent and industrially advanced districts of the state of Tamil Nadu in India. Coimbatore is known as the "**Manchester of South India**". It is one of the most industrialized towns of Tamil Nadu.

SAMPLE TECHNIQUE

The method of data collection is through sample survey, the Simple Random Sampling Technique used in the study.

SAMPLE SIZE

The sample size adopted by the researcher in the study is 100 respondents only.

SOURCE OF DATA

Data can be defined as the quantitative or qualitative values of a variable. Data is thought to be the lowest unit of information from which other measurements and analysis can be done. There are various methods of interpreting data. Data sources are broadly classified into

- ❖ Primary Data
- ❖ Secondary Data

PRIMARY DATA

For the purpose of primary data, a questionnaire was prepared and distributed among the customers, of FMCG in Coimbatore City and based on these data assumptions were made.

SECONDARY DATA

- ❖ Journals and News Paper
- ❖ Books and Websites

STATISTICAL TOOLS USED

The data obtained were analyzed by the following tools,

- ❖ Simple Percentage Analysis
- ❖ Chi – Square Analysis
- ❖ Rank Analysis

SIMPLE PERCENTAGE ANALYSIS:

The percentage analysis is mainly used to specify the number of respondents in this sample falling in each category. Further, it is also used as a standard for comparison purpose. This was carried out for each question given in the interview schedule.

A number of respondents distribution shows the number of frequencies in various classes, which helps to get preliminary ideas with respects to objectives under study. Therefore, as a first step, number of respondents for various variables under this study constructed. To interpret the results comprehensively percentage values are computed.

FORMULA:

Percentage Analysis = $\dfrac{\text{No. of Respondents}}{\text{Total Number of Respondents}} * 100$

TABLE 1: AGE OF THE RESPONDENTS

Age	Number of Respondents	Percentage (%)
10 to 20 years	45	45
21 to 30 years	39	39
31 to 50 years	10	10
Above 50 years	6	6
Total	**100**	100

INTERPRETATION:

Table 1 shows that out of total respondents taken from the study. 45% respondents are between the age group of 10to20 years, 39% respondents are between 21to30 years, 10% respondents are between 31to50 years and 6% respondents are above 50 years.

It is concluded that the **majority (45%)** of the respondents are in the age group of 10 to 20 years

AGE
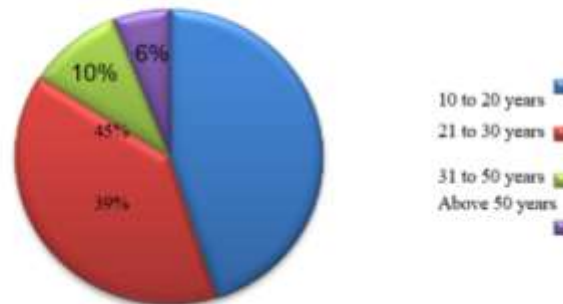
RANKING ANALYSIS

The purpose of the Ranking analysis is used to identify the factors which influence respondents to fix the major products. The respondents were asked to rank the factors and which it is important to specify the overall ranks for the different factors or variables.

Table: 2

FACTORS	MEAN VALUE	RANK
Hair oil	102	5
Shampoo	92	4
Face wash	75	3
Bathing soap	69	2
Face cream	24	1

INTERPRETATION

The above table indicates that Face cream have been ranked as 1st, Bathing soap have been ranked as 2nd, Face wash have been ranked as 3rd, Shampoo have been ranked as 4th, and finally Hair oil have been ranked as 5th .

CHI SQUARE ANALYSIS

The chi – square is used to test the independence to attributes or factors. In other words, is used to test the significance of influence of one factor over the other.

Assumptions Underlying a Chi-square Test:

➤ The data are randomly drawn from the population
➤ The values in the cells are considered adequate when expected counts are not < 5 and there are no cells with zero count.
➤ The sample size is sufficiently large. The application of chi square test to a smaller sample could lead to type II error (i.e. excepting the null hypothesis when it is actually false)

FORMULAS

Chi-square= <u>(observed value-expected value)^2</u>
Expected value

Expected value=<u>Row total*column total</u>
Grand total

Degree of freedom= (row-1)*(column-1)

HYPOTHESIS

 H0: There is no significant relation between dependent variable and independent variable.
 H1: There is significant relation between dependent variable and independent variable.
Significance value for chi-square is 5% (i.e., 0.05). if the calculated value is less than the table value, it is accepted. Else in another situation it is rejected.

TABLE SHOWING THE RELATION BETWEEN THE TIME SPENT AND TOOLS USED NULL HYPOTHESIS (H_1)

There is no relation between time spent and tools used for virtual learning.

ALTERNATIVE HYPOTHESIS (H_1)

There is significant relation between time spent and the tools used for virtual learning.

Table 3

INCOME	HAIR OIL	SHAMPOO	FASH WASH	BATHING SOAP	FACE CREAM	TOTAL
Below 25000	5	3	2	7	3	20
25000-50000	18	13	10	8	4	53
50000-75000	4	8	3	3	0	18
Above 75000	2	2	3	1	1	9
TOTAL	29	26	18	19	8	100

CHI – SQUARE TEST

Calculate Value	Table Value	Degree of Freedom	Level of Significant	Significant/ Not Significant	Null Hypothesis	Alternative Hypothesis
0.5011	21.026	12	5%	Not Significant	Accepted	Rejected

FINDINGS

CALCULATED VALUE: 0.5011
TABLE VALUE: 21.026

INTERPRETATION:

Calculated value of chi – square is 0.5011 which is less than the table value of 21.026 at the level of significant. Since the calculated value is less than the table value it is inferred there is no significant relationship between the monthly income and the frequently purchased FMCG products. Hence, the null hypothesis is accepted and the alternate hypothesis is rejected.

7. FINDINGS:

SIMPLE PERCENTAGE ANALYSIS

- ❖ About 45% of the respondents are in the age group of 10 to 20 years.
- ❖ Majority 38% of the respondents are in the Qualification of Student.
- ❖ About 74% of the respondents are in the Marital Status of Unmarried.
- ❖ 67% of the respondents are in the Occupation of Student.

8. SUGGESTIONS:

- ❖ It was found that the most of the respondents suggested to prefer FMCG products. Majority 83% of the respondents are Suggested Yes and 66% of the respondents are suggested by Friends.
- ❖ It was found that the FMCG products have to improve the choice of variety in order to satisfy the customers and earn more profit. Hence, the retailers should be instructed not to sale the same product without any variety as branded products.
- ❖ Easy and sufficient delivery units are one of the issue faced by the consumers of FMCG products. In this regard, the management authorities have to change the system like combo sale offers.

9. CONCLUSION:

From this survey conducted it is observed that FMCG products have a good market share. Though the study is related to behaviour of consumers, most of the consumers are influenced by quality and brand in purchase of FMCG products. Majority of the customers are satisfied with the FMCG products because of its good quality, reputation, easy availabilities

It is concluded from this study that FMCG sector is growing and will continues to grow very fast. The study on the consumer behaviour towards the FMCG products has received a pivotal position in the market for hair oil, shampoo etc.,.

Although there are many competitors in the market, FMCG was able to maintain and hold its top rank providing quality product at reasonable price to consumers.

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