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A Study on Brand Switch Behaviour among Millennials Towards FMCG Product in COIMBATORE

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ABSTRACT

Fast-Moving Consumer Goods (FMCG) play a vital role in the daily lives of consumers, especially millennials, who are known for their dynamic purchasing behavior. This study examines brand switch behavior among millennials in Coimbatore concerning FMCG products. The research aims to identify key factors influencing brand switching, such as price sensitivity, quality perception, promotional offers, brand loyalty, peer influence, and digital engagement. A structured questionnaire was used to collect primary data from millennials in Coimbatore, and statistical tools were employed to analyze the findings. The study provides insights into how FMCG brands can enhance customer retention strategies and minimize brand switching by understanding millennial preferences and expectations. The findings will help marketers design targeted campaigns to improve brand loyalty in an increasingly competitive market.

INTRODUCTION

The Fast-Moving Consumer Goods (FMCG) sector is one of the most competitive industries, where consumer preferences shift rapidly due to changing market trends, lifestyle choices, and promotional strategies. Among various consumer groups, millennials have emerged as a key demographic that significantly influences brand dynamics in the FMCG market. Millennials, born between 1981 and 1996, are characterized by their tech-savviness, exposure to digital marketing, and evolving shopping behavior. Unlike previous generations, they are more likely to explore new brands and switch their preferences based on factors such as product quality, pricing, convenience, peer recommendations, and social media influence.

Brand switching behavior refers to the tendency of consumers to shift from one brand to another due to various reasons, including dissatisfaction with the current brand, attractive promotional offers from competitors, or the perception of better value elsewhere. In the context of FMCG products, which include essential household items such as food, beverages, personal care, and hygiene products, brand switching is a frequent phenomenon due to low switching costs and high product availability.

Coimbatore, one of India's rapidly growing cities, presents an interesting landscape for studying brand switching behavior among millennials. With increasing urbanization, rising disposable incomes, and easy access to e-commerce platforms, millennials in Coimbatore exhibit unique purchasing patterns that influence the FMCG market. Understanding the factors driving brand switching among millennials in this region is crucial for businesses to develop effective marketing strategies, improve customer loyalty, and sustain brand competitiveness.

This study aims to explore the reasons behind brand switching behavior among millennials in Coimbatore concerning FMCG products. It will analyze the impact of various factors such as price sensitivity, brand perception, promotional strategies, social media influence, and consumer satisfaction on switching behavior. The findings will provide valuable insights for FMCG companies to enhance brand engagement, optimize marketing strategies, and improve customer retention.

SCOPE OF THE STUDY

- The study focuses on understanding brand switch behavior among millennials in Coimbatore regarding FMCG products.
- It targets millennials, a consumer segment known for their dynamic purchasing habits and brand preferences.
- Geographically limited to Coimbatore, covering both urban and semi-urban areas.
- Includes FMCG categories such as food and beverages, personal care, household care, and hygiene products.

STATEMENT OF PROBLEM

The FMCG industry in India is facing a significant challenge due to the increasing trend of brand switching among millennials. Despite the growing demand for FMCG products, companies are struggling to retain customers and maintain brand loyalty. The proliferation of social media, online reviews, and influencer marketing has made it easier for millennials to explore alternative brands and switch loyalties. In Coimbatore, the FMCG market is highly competitive, with numerous national and international brands vying for consumer attention. However, there is a lack of understanding about the factors that drive brand switch behavior among millennials in this region. As a result, FMCG companies are facing difficulties in developing effective marketing strategies to retain customers and reduce brand switching.

OBJECTIVES

- To know the purchasing behavior of the customers.
- To investigate the influence level of peers, family members on buying products.
- To study why brand switching frequently happens in the FMCG sector.
- To study the choices/decisions made by the customers.

RESEARCH METHODOLOGY:

Methodology is a way to systematically solve a research problem. It explains the various steps that are generally adopted by a researcher to solve a research problem.

DATA COLLECTION:

Data was collected through both primary and secondary data sources

PRIMARY DATA:

Primary source of data which is collected for the first time it is original data for the data purpose of collection of primary data, questionnaire were filled by the respondents. The questionnaires comprises of close ended. The data have been collected from the millennials (born between 1981 to 1996) residing in Coimbatore. The online questionnaires through Google Forms has been prepared for collecting data.

SECONDARY DATA:

were already collected and readily from other sources. In the project, that the data have been collected from the following sources journals, articles, websites and books.

SAMPLING METHOD:

The study will use stratified random sampling, segmenting millennials in Coimbatore based on factors like age groups and occupation. Within each stratum, respondents will be randomly selected to ensure diverse and representative data on brand-switching behavior toward FMCG products.

SAMPLE SIZE:

The sample size taken for this study is 164 respondents.

TOOLS FOR ANALYSIS:

- Chi square
- Ranking

ANALYSIS AND INTERPRETATION OF THE STUDY:

1. CHI SQUARE TEST:

GENDER AND BRAND PREFERENCE AND LOYALTY OF THE RESPONDENTS

S.No	FACTOR	CALCULATED VALUE	TABLE VALUE	DF	REMARKS
1	I am loyal to a particular FMCG brand and rarely switch to others	0.963	9.488	4	Significant at 5% level
2	I often try new FMCG brands available in the market	0.884	9.488	4	Significant at 5% level
3	I prefer sticking to brands that I have been using since childhood	0.839	9.488	4	Significant at 5% level
4	I switch brands if my preferred brand is unavailable	0.214	9.488	4	Significant at 5% level

INTERPRETATION:

From the above analysis that the calculated value of loyal to a particular FMCG brand and rarely switch to others (0.963) is lesser than the table value (9.488), value of trying new FMCG brands available in the market (0.884) is lesser than the table value (9.488) value of preferred sticking to brands that I have been using since childhood (0.839) is lesser than the table value (9.488) and value of switch brands if my preferred brand is unavailable (0.214) is lesser than the table value (9.488). Hence null hypothesis is accepted

INFERENCE:

Hence, there is no significant relationship between Gender and satisfaction of the current flexible work arrangements of the respondents

2.RANKING:

TABLE SHOWING RANK OF THE FACTORS INFLUENCING THE DECISION TO SWITCH FROM FMCG BRAND TO ANOTHER

FACTORS	1	2	3	4	5	TOTAL	RANK
Price	68	20	25	21	30	417	V
Product quality	10	64	49	34	7	456	III
Availability	16	31	71	25	20	491	II
Brand image	19	27	52	55	10	499	I
New variants	17	30	37	31	48	452	IV

INTERPRETATION:

The above table shows that Price shows fifth rank, New variants shows fourth rank, Product quality shows third rank, Availability shows second rank, Brand image shows first rank.

INFERENCE:

Brand image as first rank that the respondents this influence the decision to switch from FMCG to another.

FINDINGS:**1. CHI SQUARE TEST:**

- There is no significant relationship between Gender and satisfaction of the current flexible work arrangements of the respondents

2. RANK ANALYSIS:

- 1st rank has been given for Brand image
- 2nd rank has been given for Availability
- 3rd rank has been given for Product quality
- 4th rank has been given for New variants
- 5th rank has been given for Price

SUGGESSTIONS:

- Analyze factors like price, quality, promotions, and social media influence on brand switching.
- Study the impact of influencer marketing, online reviews, and e-commerce on millennials' choices.
- Compare preferences for local and national FMCG brands, considering cultural and regional factors.
- Examine the role of sustainability and ethical concerns in brand-switching behavior.
- Suggest strategies for FMCG brands to enhance loyalty through pricing, innovation, and engagement.

CONCLUSION:

The study on brand switch behaviour among millennials towards FMCG products in Coimbatore highlights key factors influencing their choices, including price sensitivity, quality, promotions, and digital influence. Social media, influencer marketing, and online reviews play a crucial role in shaping purchasing decisions. The preference for local or national brands depends on cultural relevance, availability, and trust. Additionally, growing awareness of sustainability and ethical concerns is driving millennials towards eco-friendly and responsible brands. To retain customer loyalty, FMCG companies must adopt innovative marketing strategies, competitive pricing, and strong digital engagement. Understanding these behavioural patterns will help brands develop targeted approaches to enhance customer retention and market presence.

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