

Study on Customer's Perception and Satisfaction towards FMCG products with Special reference to Thoothukudi District.

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Abstract

Fast moving consumer goods (FMCG) sector is an important contributor to the India's GDP growth. Currently, FMCG industry is the fourth largest sector in the Indian economy and provides employment to around 3 million people. Over the years, India FMCG sector has been growing at a healthy pace on account of growing disposable income, booming youth population and increasing brand consciousness among consumers. The aim of this research work is to study the customer's satisfaction towards FMCG products. The researcher highlights the consumer perception towards fast moving consumer goods in Thoothukudi District of Tamilnadu. The study is started with the objective of examining socio economic background of respondents, analyzing factors motivate for purchasing FMCG products, identifying brand awareness and brand perception towards FMCG products. This paper reveals that consumer behaviour is largely affected by place, product price, and promotion, people' influence and market wide factors. However effect of these factors also differ from product to product.

Key Words: Customer perception, Brand Awareness, Customer behaviour towards Fast Moving Consumer Goods.

Introduction

Globally, India is becoming one of the most attractive markets for foreign FMCG players due to easy availability of imported raw materials and cheap labour costs. The urban segment is the biggest contributor to the growth of India FMCG sector, accounting for around two-thirds of the total revenues. However, the share of semi-urban and rural segments in the country's FMCG sector is anticipated to increase by the end of 2020. Fast-moving consumer goods (FMCG) can be defined as packaged goods that are consumed or sold at regular and small intervals. The prices of the FMCG are low and profits earned are more dependent upon the volume sales of the products. The FMCG market can be broadly categorised as Personal Care, Household care, Food & Beverages and Others. The Indian FMCG sector is the fourth largest sector in the economy with a total market size of USD49 billion in 2016. The sector is projected to grow at a CAGR of 20.6% to reach USD103.7 billion by 2020. The FMCG industry in India, has grown rapidly over the

last decade, predominantly on account of increasing income levels and changing lifestyle of Indian consumers.

Fast Moving Consumer Goods Fast Moving Consumer Goods are inexpensive products that require little shopping efforts. These are non-durable products which are sold in packaged forms. These products are purchased by the end-consumer in small quantities and frequently. The main FMCG segments can be classified as Personal Care, Household care,

- **Personal Care:** It consists of oral care, hair care, skincare, personal wash (soaps), cosmetics and toiletries, deodorants; perfumes; paper products (tissues, diapers, sanitary), shoe care etc.
- **Household Care:** It comprises of fabric wash (laundry) soaps and synthetic detergents; household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellants, metal polish and furniture polish).
- **Branded and Packaged Food and Beverages:** It consists of health beverages; soft drinks; staples/cereals; bakery products (biscuits, bread, cakes), snack food, chocolates, ice cream, tea, coffee, processed fruits, vegetables and meat, dairy products, bottled water; branded flour, branded rice, branded sugar, juices etc.

Statement of the problem

FMCG product touches every aspects of human life. These products are frequently consumed by all sections of the society and a considerable portion of their income is spent on these goods. Apart from this, the sector is one of the important contributors of the Indian economy. This sector has shown an extraordinary growth over past few years, in fact it has registered growth during recession period also. The future for FMCG sector is very promising due to its inherent capacity and favorable changes in the environment. In this study, the scholar makes an attempt to analyze the customer perceptions. In this background it is identified that there is a need for research work in the field of consumer behaviour of FMCG in the Thoothukudi District.

Scope of the study:

The scope of the study in terms of objectives restricted to consumer behavior towards fast moving consumer goods in Thoothukudi District of Tamilnadu.

Objectives of the Study

1. To understand the concept of FMCG
2. To analyze the socio, economic profile of rural consumers and their attitude towards buying products.
3. To identify the factors influencing for buying decision of fast moving consumer goods.

METHODOLOGY

Exploratory research design is used for conducting this study. The survey was conducted in Thoothukudi district.. For the purpose of the study 150 respondents have been chosen in Thoothukudi district

by using convenient sampling technique. The questionnaire was prepared and administered in person to all the respondents. The study has used both the primary data and secondary data. Secondary data were collected through various journals, magazines, reports and newspapers. The tools used to analyze the data are Simple Percentage Analysis, 't' test and ANOVA.

Hypothesis of the study:

H0: "There is no significant relationship between factors influencing purchase decision of FMCG products and demographic profile of the respondents"

Review of literature

Rambabu Gopiseti and G.Linganna (2017)¹ in their article titled "Consumer Buying Behaviour towards Fast Moving Consumer Goods"- A Study of Selected Personal Care Products in Nizamabad District of Telangana State. This study makes an attempt to study the factors affecting the Consumer Buying Behaviour towards selected Personal Care Products and how these factors play an important role in buying decision. The factors included were related to the personal care brands and rural consumers. The researchers found that consumers perceived that Television commercials and followed by Quality and Brand loyalty are significant factors which more influences on the consumer buying behaviour even though they are middle income groups and lower income groups. Further, they consider reach the branded products to the final consumers use the print media and incentive schemes and recommended that the marketers must constantly monitor the final consumers and to use the electronic media.

Ravi Sharma and Rachna Arya (2017)² In their article titled "Study of consumer oriented sales promotion in FMCG sector", the authors suggest that promotion is one of the pillars of marketing mix and same way sales promotion is also one of the elements of promotion. The researchers analyses consumer preferences with respect to sales promotion in FMCG sector, examine trade-offs, relative importance of different attributes while responding to a sales promotion offer, evaluate the consequences of sales promotion techniques applied in FMCG sector esp. in soaps and detergent industry and make an attempt to study the consume behaviour in purchase of soaps and detergent. Convenience-sampling method is used to collect the data and the sample selected for this study is 100. The study found that quality and price are the most influencing factors in the purchase decision, Price off and extra quantity is the two main offers or schemes always attract more and more consumers towards particular brand, TV and newspaper as the best media to market the product which will cover majority of the viewer ship. The authors recommended that Companies need to create sufficient awareness about sales promotion schemes through mass media in order to create awareness. FMCG products are low involvement products characterized by switching behavior.

Saranya G.Surya (2016)³ In their research titled "The Preference of Women Consumers With FMCG Products With Special Reference to Pollachi Taluk". The fast-moving consumer goods (FMCG) sector is an important contributor to India's GDP. This study is aimed at to

Create awareness about the FMCG products and to understand the overall satisfaction level of respondents using FMCG products prevailing in the FMCG's retail trade sector. Convenience-sampling method is used to collect the data and the sample selected for this study is 100. The researchers found that quality is the main motivating factor for the consumer to buy the product of FMCG. Introduction of new products in the market to satisfy the consumer is also an importance reason for FMCG's to hold the top in the consumer market. The author also recommended that the FMCG acquire a major share in the consumer goods market, the manufacture as to provide quality goods at reasonable price.

Mahaboob Basha (2016)⁴ This article highlights “A Study on Consumer Behaviour towards FMCG Goods An Empirical Study with Special Reference to Nellore District of Andhra Pradesh.” The researcher is aimed to examine the consumer behaviour at the time of purchase, and analyse the factors that influence towards for buying fast moving consumer goods. For the purpose of the study 50 respondents have been chosen in Nellore city by using stratified random sampling technique. The author finds that creating awareness regarding products is essential to grab the market in the competitive world. The researcher evaluates that when customer satisfied the purchasing level of the customer would gradually increase, by that the sales of the company will increase. Here in this research work researcher is trying to find out differences in the opinion of consumers on the basis of Age, educational qualification, location and gender regarding consumer behaviour towards fast moving consumer goods The present study concluded that, successes of many businesses depend on their ability to create and retaining the customers.

Shashank Singh Chauhan and Singh (2016)⁵ In their article titled “A Study of Indian Consumer Buying Behaviour of FMCG Products (With Special Reference of Bathing Soap) “Bathing soaps are fast moving consumer goods that have seen a surge in their sales in the past few decades in India. This study is an attempt to cover the various factors that influence the buying decision of consumers who plan to purchase and or used bath soap. The author found that even though customers are mostly buying bath soap monthly, especially females in terms of customers are the ‘market leader’ of bath soap. The author concluded that brand, price, quality and hygiene is the basic features which attract the customers to buy a particular soap. Thus major promotional influencing factors are T.V and newspaper. Celebrities and family work as a opinion leader to influence the buying decision of consumers.

ANALYSIS AND INTERPRETATION

Socio economic status of sample respondents

Table 4.1
Gender wise Classification

Gender	No. of Respondents	%
Male	92	61

Female	58	39
Total	150	100
Age		
Below 20	9	6
21 -40	93	62
41 – 60	46	31
Above 60	2	1
Total	150	100
Occupation		
Agriculturist	22	15
Salaried Class	118	79
Others	10	7
Total	150	100.0
Education		
Illiterate	15	10
Below Higher sec	45	30
Under Graduate	75	50
Post Graduate	15	10
Total	150	100.0
Income		
Below Rs.20000	88	59
Rs.20000-40000	32	21
Rs.40000-60000	27	18
Above Rs.60000	3	2
Total	150	100.0
Residential Status		
Rural	52	35
Urban	98	65
Total	150	100.0
Marital Status		
Married	97	65
Unmarried	53	35
Total	150	100.0

Type of family		
Nuclear	90	60
Joint	60	40
Total	150	100.0

Source: Primary Survey

Out of 150 sample respondents, Majority 61% of them are male, 62 %, of them belong to the age group consists of 21-40, 79 % belong to salaried class people, 50 % have completed their under graduation, 58 % of them earned below Rs.20, 000, With regards to residential status, majority 65% of them belong to urban area. Marital status majority 65% of them are married, and 60 % of them consist of nuclear family type.

Factors Influencing Purchase Decision of FMCG products and Gender group of customers

H₀: “There is no significant relationship between factors influencing purchase decision of FMCG products and gender group of customers”. The results of ‘t’ test is given in Table.

Table 4.2

Factors Influencing Purchase Decision of FMCG products and Gender group of customers –‘t’ Test

Purchase influential factors	Gender	F	Sig.	t	df	p Value
Products factors	Equal variances assumed	6.132	.014	.336	148	.737
	Equal variances not assumed			.324	108.243	.747
Price factors	Equal variances assumed	3.731	.055	1.983	148	.049
	Equal variances not assumed			1.953	117.682	.053
Place factors	Equal variances assumed	.358	.550	3.102	148	.002
	Equal variances not assumed			3.000	109.999	.003
Promotion factors	Equal variances assumed	14.733	.000	2.920	148	.004
	Equal variances not assumed			2.589	79.640	.011

Source: Computed data

The above table shows the results of 't' test based on factors influencing purchase decision of FMCG products among different gender group of customers. Since the 'p' value of factors influencing purchase decision of FMCG products namely price factors, place factors and promotion factors are less than 0.05, the null hypothesis is rejected. Therefore it may be concluded that gender wise there is a significant difference in factors influencing purchase decision of FMCG products namely price factors, place factors and promotion factors.

Factors Influencing Purchase Decision of FMCG products and Age group of customers

H₀: "There is no significant relationship between factors influencing purchase decision of FMCG products and age group of customers". The results of ANOVA is given in Table.

Table 4.3

Factors Influencing Purchase Decision of FMCG products and Age group of customers - ANOVA

Purchase influential factors	Age	Sum of Squares	df	Mean Square	F	p Value
Products factors	Between Groups	40.434	3	13.478	2.667	.050
	Within Groups	737.939	146	5.054		
	Total	778.373	149			
Price factors	Between Groups	344.861	3	114.954	8.535	.000
	Within Groups	1966.472	146	13.469		
	Total	2311.333	149			
Place factors	Between Groups	105.870	3	35.290	1.776	.154
	Within Groups	2900.503	146	19.866		
	Total	3006.373	149			
Promotion factors	Between Groups	161.991	3	53.997	1.581	.197
	Within Groups	4988.009	146	34.164		
	Total	5150.000	149			

Source: Computed data

The above table shows the results of ANOVA based on factors influencing purchase decision of FMCG products among different age group of customers. Since the 'p' value of factors influencing purchase decision of FMCG products namely price factors is less than 0.05, the null hypothesis is rejected. Therefore

it may be concluded that age wise there is a significant difference in factors influencing purchase decision of FMCG products namely price factors. Table further shows that since the 'p' value of factors influencing purchase decision of FMCG products namely products factors, place factors and promotion factors are higher than 0.05, the null hypothesis is accepted. Therefore it may be concluded that age wise there is no significant difference in factors influencing purchase decision of FMCG products namely products factors, place factors and promotion factors.

Factors Influencing Purchase Decision of FMCG products and Occupation of customers

H₀: "There is no significant relationship between factors influencing purchase decision of FMCG products and occupation of customers". The results of ANOVA is given in Table.

Table 4.4

Factors Influencing Purchase Decision of FMCG products and Occupation of customers - ANOVA

Purchase influential factors	Occupation	Sum of Squares	df	Mean Square	F	p Value
Products factors	Between Groups	424.507	2	212.253	18.172	.000
	Within Groups	353.867	147	2.407		
	Total	778.373	149			
Price factors	Between Groups	724.518	2	362.259	13.559	.000
	Within Groups	1586.816	147	10.795		
	Total	2311.333	149			
Place factors	Between Groups	291.096	2	145.548	7.880	.001
	Within Groups	2715.278	147	18.471		
	Total	3006.373	149			
Promotion factors	Between Groups	169.477	2	84.739	2.501	.085
	Within Groups	4980.523	147	33.881		
	Total	5150.000	149			

Source: Computed data

The above table shows the results of ANOVA based on factors influencing purchase decision of FMCG products among different occupation of customers. Since the 'p' value of factors influencing purchase decision of FMCG products namely products factors, price factors and place factors are less than 0.05, the

null hypothesis is rejected. Therefore it may be concluded that occupation wise there is a significant difference in factors influencing purchase decision of FMCG products namely products factors, price factors and place factors.

Factors Influencing Purchase Decision of FMCG products and Educational Background of customers

H₀: “There is no significant relationship between factors influencing purchase decision of FMCG products and educational background of customers”. The results of ANOVA is given in Table.

Table 4.5

Factors Influencing Purchase Decision of FMCG products and Educational Background of customers - ANOVA

Purchase influential factors	Educational Background	Sum of Squares	df	Mean Square	F	p Value
Products factors	Between Groups	247.730	3	82.577	22.720	.000
	Within Groups	530.643	146	3.635		
	Total	778.373	149			
Price factors	Between Groups	932.916	3	310.972	32.938	.000
	Within Groups	1378.417	146	9.441		
	Total	2311.333	149			
Place factors	Between Groups	461.717	3	153.906	8.830	.000
	Within Groups	2544.657	146	17.429		
	Total	3006.373	149			
Promotion factors	Between Groups	1202.946	3	400.982	14.832	.000
	Within Groups	3947.054	146	27.035		
	Total	5150.000	149			

Source: Computed data

The above table shows the results of ANOVA based on factors influencing purchase decision of FMCG products among different educational background of customers. Since the ‘p’ value of factors influencing purchase decision of FMCG products namely products factors, price factors, place factors and promotion factors are less than 0.05, the null hypothesis is rejected. Therefore it may be concluded that educational background wise there is a significant difference in factors influencing purchase decision of FMCG products namely products factors, price factors, place factors and promotion factors.

Factors Influencing Purchase Decision of FMCG products and Monthly Income of customers

H₀: “There is no significant relationship between factors influencing purchase decision of FMCG products and monthly income of customers”. The results of ANOVA is given in Table.

Table 4.6

Factors Influencing Purchase Decision of FMCG products and Monthly Income of customers - ANOVA

Purchase influential factors	Monthly Income	Sum of Squares	df	Mean Square	F	p Value
Products factors	Between Groups	102.119	3	34.040	7.349	.000
	Within Groups	676.254	146	4.632		
	Total	778.373	149			
Price factors	Between Groups	191.642	3	63.881	4.400	.005
	Within Groups	2119.691	146	14.518		
	Total	2311.333	149			
Place factors	Between Groups	190.300	3	63.433	3.289	.023
	Within Groups	2816.073	146	19.288		
	Total	3006.373	149			
Promotion factors	Between Groups	275.942	3	91.981	2.755	.045
	Within Groups	4874.058	146	33.384		
	Total	5150.000	149			

Source: Computed data

The above table shows the results of ANOVA based on factors influencing purchase decision of FMCG products among different monthly income of customers. Since the 'p' value of factors influencing purchase decision of FMCG products namely products factors, price factors, place factors and promotion factors are less than 0.05, the null hypothesis is rejected. Therefore it may be concluded that monthly income wise there is a significant difference in factors influencing purchase decision of FMCG products namely products factors, price factors, place factors and promotion factors.

Findings of the study

Demographic Profile: The researcher found that out of 150 sample respondents, Majority 61% of more male members, 62% belongs to the age group of 21-40 years, 65 % are married and having a good occupational background 79 % are salaried people, high level of literacy 50% are graduates. Among them 60% from nuclear family, 65% from rural area. With regard to income generation, 58 % earned a monthly income of below Rs.20, 000.

Factors Influencing Purchase Decision of FMCG products and demographic profile of customers. The study found that, with regard to Gender, Age, Occupation, Education, income wise there is a significant

difference in factors influencing purchase decision of FMCG products namely product factors, price factors, place factors and promotion factors.

Suggestions

The following suggestions are made based upon the study:

In the present competitive business world, the market penetration and customer demand are not simply due to the product features, but due to the effort taken by the dealers to place the product in the hands of the right consumer.

- ✓ The dealers and distributors should be properly motivated by the manufacturers through awards and incentives based on their performance.
- ✓ Quantity discounts or trade in allowance should be offered to customers for making bulk purchases (individually or group) of the products of the company
- ✓ Media are liked by customers due to their positive features. These points of high quality of audio, video, clarity of message and cost involved should be taken care of especially in advertising campaign.
- ✓ Quality in FMCG products may be achieved through acquiring training in business development, quality product development, and marketing external monitoring of quality.

Conclusion

This article deals with the analysis of the primary data which has been collected from 150 respondents who are the regular consumers of FMCG products. The study is started with the objective of examining socio economic background of respondents, analyzing factors motivate for purchasing FMCG products, identifying brand awareness and brand perception towards FMCG products. This articles reveals that consumer behaviour is largely affected by place, product price, and promotion, people' influence and market wide factors. However effect of these factors also differ from product to product. Hence, it is concluded that this sort of study is significant to draw the market potentials of the Fast moving consumer goods particularly the Thoothukudi like city. In future, the retail outlets and shops are fine-tuned with several facilities to reach the consumers and their interest. It clears from the study that FMCG acquire a major share in the consumer goods market the manufacture as to provide quality goods at reasonable price

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