

# Consumer Perception Towards Fast Moving Consumer Goods in India

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## Abstract

The need for FMCG (Fast Moving Consumer Goods) is growing exponentially globally especially in India. The perception of consumers towards FMCG products has become an important aspect to study. The consumers can be divided into different categories based on their age, gender, geographical location, and literacy. In this paper, the scope of FMCG in India is discussed. The parameters of the perception of the consumers towards the consumption of FMCG products are also discussed in this paper. The dataset is collected mainly from two states of India: Haryana and Punjab. The dataset is categorized based on age, gender, geographical location, and literacy of the consumer, and the type of product. For statistical analysis, multivariate logistic regression called Ordinary Least-Square (OLS) regression is applied on the Punjab and Haryana dataset.

## 1. Introduction

It is evident that Ayurvedic products have become popular and are widely used especially in India. The growth of consumer markets is constantly increasing in India. As most of the consumers, these days are very well aware of all the latest brands, products prevailing in the market, reasons being increased social media penetration, advertisements, growing competition, and awareness regarding health issues. A Brand is defined as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product". E.g. NIKE, HUL (Hindustan Unilever), etc. "FMCG markets are defined as relatively inexpensive, frequently purchased and rapidly consumed items on which buyers exert only minimal purchasing effort" [1].

Ayurveda can be defined as the traditional system of medicine that seeks to treat and integrate body, mind, and spirit using a comprehensive holistic approach especially by emphasizing diet, herbal remedies, exercise, meditation, breathing, and physical therapy, etc.

The consumer is a person or a group who intends to order or uses purchased goods, products, or services primarily for personal, social, family, household, and similar needs, not directly related to entrepreneurial or business activities [2].

## FMCG in India

The growth of consumer markets is constantly increasing in India. As most of the consumers, these days are very well aware of all the latest brands, products prevailing in the market, reasons being increased social media penetration, advertisements, growing competition, and awareness regarding health issues. Consumption in the FMCG sector has increased which is led by the amalgamation of higher inclination levels and increasing interests in rural areas. FMCG market of rural sector in India is expected to contribute US\$ 220 billion by 2025 from US\$ 23.6 billion in Financial Year 2019. Out of total income, the rural FMCG sector has contributed 10 percent in 2018 and 15 to 16 percent in 2019. FMCG sector has shown a growth percentage of 13% between April–June 2019 [3].

## 2. Literature survey

Kaurava studied the existing marketing system which was carried out to determine the market mix. The organized sector comprises large manufacturing units and well-established manufacturers who operated in both domestic and international markets. The author took various Ayurvedic brands to do the comparison by taking price war and other preferable products of the same range [4]. The sample size included around 40 forest/non-forest staff and 14 medical shop retailers. Quantitative analysis was used to analyze the level of consumer satisfaction. Data was collected through various sources. These were Friends (15%), Doctors (13%), Advertisements (8%), Trees Fare (van mela) (21%), and others (43%). (Pugh 1991) explained the importance of Ayurveda in medical science. Many problems were solved with the Unani and herbal usage, food had figured as a major contributor to rheumatic disorder from ancient medical texts to contemporary humoral ideas and practices. Cold food chill the body and dampens the 'digestive fire' thus promoting the production of gas and other toxic matters. people try to make seasonal dietary adjustments, however such as favoring wintertime consumption of heavy oily foods to warm the body, stimulate the digestive fire, maintain health and prevent ailments like cold and rheumatism.

Bode described that Ayurveda was endogenous to the subcontinent and Indian Greco- Islamic medicine was introduced to India by Muslim conquerors in the 12th century but became indigenized in the centuries thereafter. This research paper was related to the health care category of Ayurveda focusing on medicines for a particular health problem and how Ayurveda helped cure by following the proper diet and getting nutritional values. This paper highlighted Indian medicine as commercial activity. Ayurvedic products were marketed as natural remedies against common-cold, cough, headache, muscle pain, pimples, and others. Inculcation of proper diet including highly nutritional and fibrous food made Ayurveda an important and advanced topic of society [5].

Zhen *et al.* explained in the study to meliorate the explanation regarding the purchase of organic FMCG products by the consumer. By analyzing and comparing the factors which led to the consumption of

FMCGs which were having eco-friendly traits. The main factors focused in this study to analyze the various aspects of behavior in purchasing food with Ayurvedic benefits. A combination of facts would generate a higher explanation value and showed a complex nature when studied together [6].

Gottschalk and Leistner propounded in their study that the major role is of consideration of price when it came to buying products having organic as well as Ayurvedic benefits. Hence it was necessary to evaluate how consumer's perceived food products with benefits of Ayurveda and purchase behavior regarding the product. Various steps were mentioned to get the net results of actual purchase intention, as well as the behavior of accepting such steps, were followed. The spread of information played a major role in such decisions because it was information only which made other consumers aware of the trends and products going on in the market [7].

### 3. Material and Methods

#### 3.1 Dataset

For the dataset collection, we have prepared a questionnaire for the two states Punjab and Haryana regarding consumer perception towards 'MADE IN INDIA' Ayurvedic fast-moving consumer goods (FMCG) in northern India. The questionnaire includes demographic details (name, location, gender, age group, family structure, annual family income, education background), who purchase FMCG for the family, where to purchase FMCG products, buying decision for the family, perception of the consumer regarding FMCG, kind of customers, trust and satisfaction in the FMCG products, experience regarding the FMCG products, awareness regarding the FMCG products and different aware source. There are a total of 602 people participating in this study. In this survey, 301 are from Punjab and the rest are from Haryana.

#### 3.2 Methodology

The Methodology for the proposed system is categorized into three different layers 1) Dataset Splitting 2) OLS model 3) Performance Evaluation (Figure 1). The collected dataset is separated into two parts: one is for Punjab and another is for Haryana for making a comparative analysis between them regarding consumer perception toward the FMCG products. For statistical analysis, multivariate logistic regression called Ordinary Least-Square (OLS) regression is applied on the Punjab and Haryana dataset. OLS is a statistical technique that guesstimates the relation between dependent and one or more independent variables [8]. The performance evaluation from the OLS model is done through the use of the python3 programming language with pandas and Stats library [9]. The computer configuration used in the proposed methodology is an Intel i7 processor with 16 GB RAM. Before dataset fitting in the OLS, preprocessing techniques are applied to fill the null values, and afterward, each dataset is further divided into independent and dependent variables for the OLS model fitting.

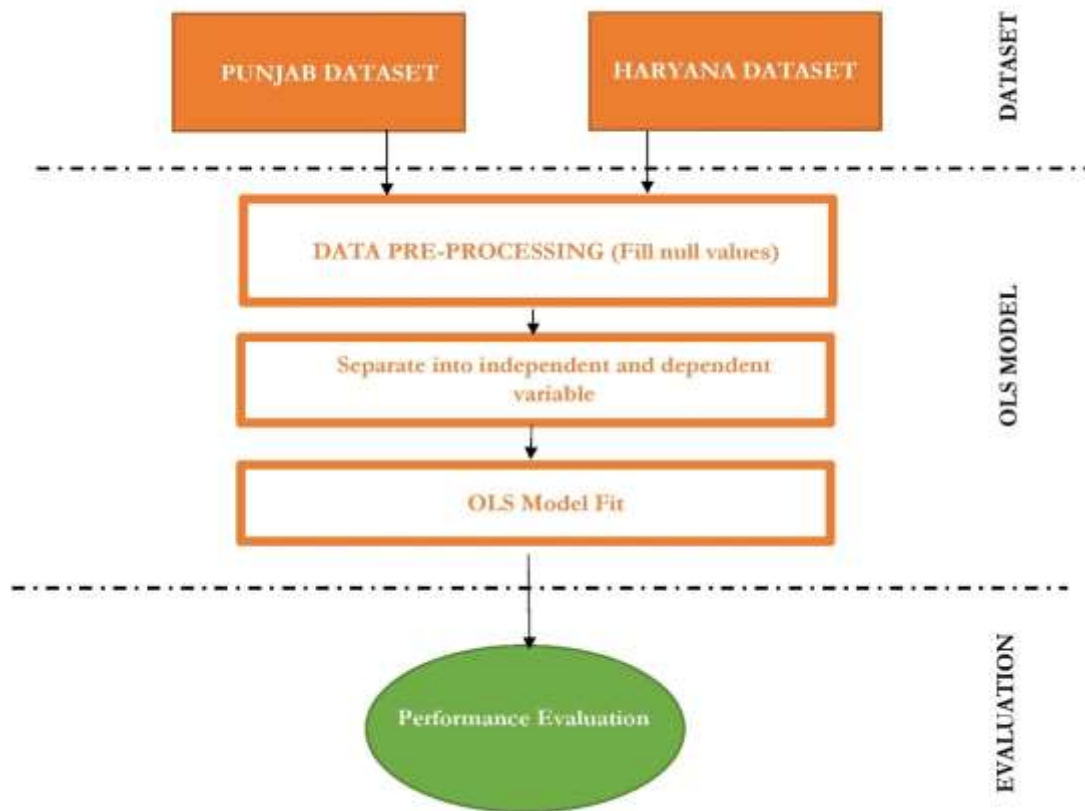


Figure 1: Architecture of the Proposed Work

#### 4. Result Analysis

There are a total of 602 people participating in this study. In this survey, 301 consumers are from Punjab and the rest are from Haryana and deployed the OLS model to the highly relevant questions. Table 1 represents OLS model dependent variables with the regression outcome. Regression is one of the important techniques in the statistical method for the evaluation of multi-variables to address particular questions. Coefficient of Determination ( $R^2$ ) is a statistical technique that measures the model fit and indicates the imbalance of dependent variables described by the independent variables. In this study, we compare the  $R^2$  value between the Punjab and Haryana respondents regarding the recommendation of FMCG products. The  $R^2$  value of the Haryana and Punjab respondents are 0.368 and 0.306 respectively. As per Table 1, those independent variables of p-values (Result outcome probability) which are higher than 0.5 that is more useful as compared to another variable.

**Table 1: OLS Model dependent variable (Ayurvedic FMCG products to others when I get satisfied) with regression outcomes**

Variables	Punjab Dataset		Haryana Dataset	
	Coeff	P >  t	Coeff	P >  t
Gender	0.0523	0.596	0.0812	0.398
Age	0.0074	0.865	0.0279	0.501
Family	-0.0061	0.952	0.1149	0.251
Annual Family Income	-0.0199	0.627	-0.0465	0.235
Literacy	0.0238	0.650	0.1720	0.001
Who buy FMCG Products	-0.0025	0.950	0.0583	0.137
Where buy FMCG Products	0.0454	0.223	0.0546	0.135
Buying Decision Influenced	0.0321	0.205	0.0547	0.058
Prefer to buy FMCG products regular	0.5083	0.000	0.1867	0.004
Listen Feedback for FMCG	-0.1806	0.002	0.5280	0.000
Brand Reputation	-0.0056	0.919	0.0341	0.493
Satisfaction of FMCG product with product range and category	0.0811	0.202	0.1350	0.028
Media channel promotion	0.0177	0.704	-0.0846	0.067
FMCG Quality	0.1149	0.070	0.0354	0.463
FMCG Health Benefit	-0.0480	0.376	-0.1403	0.009
Past Experience	-0.0454	0.440	0.0391	0.485

## 5. Conclusion

This paper presented the study of consumer perception towards FMCG products in India.

The dataset was created using questionnaire which was filled by the consumers situated in different parts Punjab and Haryana, India. The questionnaire was filled by the 301 consumers in Punjab and 301 in Haryana. The OLS model was applied to determine the Coefficient of Determination ( $R^2$ ) to measure



the model fitness. The  $R^2$  value is compared between respondents of Punjab and Haryana. This study helped to identify the imbalance of dependent variables described by the independent variables.

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