



CONSUMER PREFERENCE AND SATISFACTION OF ONLINE SHOPPING TOWARDS FMCG WITH SPECIAL REFERENCE TO KANYAKUMARI ECONOMY

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ABSTRACTS

Online shopping has grown in popularity over the years, principally because people find it convenient and trouble-free to shop from the comfort of their home or office. Online shopping is the act of purchasing products or services over the Internet. Companies are also well aware of these facts, and that is why they are also giving greater importance to online consumer behaviour. Fast Moving Consumer Goods are product purchased for consumption by the average consumption. The purpose of the study was to identify the consumer's satisfaction through online shopping application in FMCGs. The main objective of the study is the consumer's level of preference towards online shopping of FMCGs. The sample of total 300 respondents was selected from Kanyakumari district using convenience sampling method. The results indicated that Garrett Ranking test results of FMCGs preference of online shopping consumers. The online shopping consumers ranked 'cosmetics and toiletries' as their first choice to buy and the least rank is given to Baked Goods with mean score of 41.58 contributed 9th rank.

Key Words: Customer Satisfaction, Online Shopping and Fast Moving Consumer Goods

1. INTRODUCTION:

Online shopping is very important to attract more customers to the industry. If any industry attracts more customers in the industry, then the brand value of the company will be increased. It has been seen that digital technology imparts a huge impact over the customer attraction and customer satisfaction as well. Online shopping is the biggest part customer attraction as well as customer satisfaction. In this technological world, most of the companies use online shopping for making satisfy the customer and for attracting more customers as well. Online shopping imparts a huge impact on customer satisfaction. The

consumers can make a direct connection to the retailer through the process of online shopping and by visiting the company's website and the other alternative apps. The way of shopping has been revolutionized by the help of electronic commerce. Nowadays, online shopping is the very easy process of buying any products from the retailers for regular purpose as maximum people have some common tools of online shopping such as smart phones, computers, laptops, tablets and many others. The way of online shopping provides several facilities to the customers and for this reason, customers become satisfied while buying products from the retailers through online.

2. STATEMENT OF THE PROBLEM

Fast Moving Consumer Products (FMCG) has gained an increasing attention by the marketers in recent years. Marketers are trying their best to market their products innovatively and effectively. Therefore, online marketing has gained momentum. But the customer's satisfaction towards online shopping is still blurred. Therefore, this study attempts to find out the customer preference and satisfaction on FMCG products which are purchased through online shopping.

3. OBJECTIVES:

1. To analyse the factors influencing customers to buy FMCG products through online.
2. To analyse the consumers level of satisfaction and preference towards online shopping of FMCGs.
3. To study the problems faced by customers buy the FMCGs through online.

4. METHODOLOGY:

The research design adopted for the study is both descriptive and analytical in nature. The study is based on both primary data and secondary data. It is an empirical research based on the survey method. For collecting required primary data from the online shopping consumer, well-structured and pre-tested interview schedule was used. Secondary information was also collected from books, journals and websites relevant to the medical enterprises. The sample size was fixed at 250. The sample online shopping consumers were selected through simple random sampling method.

5. DATA ANALYSIS:

5.1 Factors Influencing Consumers to Buy FMCGs through Online

To identify the important factor that influence to prefer online shopping of FMCGs.

Table 1 Factors Influencing Consumers towards Online Shopping

Factors	SA	A	NO	DA	SDA	Total	Mean Score	Total
Easily Compare the Goods	77 (25.67)	80 (26.67)	76 (25.40)	44 (14.80)	23 (8.50)	300 (100.00)	10.65	7
Different Types of Payment Method	73 (24.33)	81 (27.00)	131 (43.67)	10 (3.33)	5 (1.67)	300 (100.00)	14.67	3
Attractive Offers	76 (25.33)	83 (27.67)	67 (22.00)	59 (19.67)	15 (5.00)	300 (100.00)	11.07	5
Less Tension	71 (23.67)	93 (31.00)	47 (15.67)	58 (19.33)	31 (10.33)	300 (100.00)	9.42	8
Convenience	251 (83.67)	38 (12.67)	7 (2.33)	1 (0.33)	3 (1.00)	300 (100.00)	17.22	1
Availability of Latest Products	68 (22.70)	95 (30.90)	64 (21.10)	53 (17.70)	20 (7.60)	300 (100.00)	10.81	6
Different Types of Products	89 (27.90)	82 (28.40)	53 (18.00)	55 (18.80)	21 (6.90)	300 (100.00)	11.22	4

Time Saving	78 (26.00)	201 (67.00)	16 (5.33)	3 (1.00)	2 (0.67)	300 (100.00)	15.98	2
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Source: Primary data

The table.1 clearly reveals that factors influencing consumers towards online shopping of FMCGs, convenience with the mean score of 17.22 contributed rank-1, time saving with the mean score of 15.98 contributed rank-2, different types of payment methods with the mean score of 14.67 contributed rank-3, different types of products with the mean score of 11.22 contributed rank-4, attractive offers with the mean score of 11.07 contributed rank-5, availability of latest products with the mean score of 10.81 contributed rank-6, easily compare the goods with the mean score of 10.65 contributed rank-7 and less tension with the mean score of 9.42 contributed rank-8 by the FMCGs online shopping consumers.

5.2 Consumer Products Preference on Online purchase

Garrets' Ranking method is used to analyse the Consumer products preference on online purchase of FMCGs. Under Garrett's ranking method the percentage position is calculated by using the following formula: Percentage Position = $100 (R_i - 0.5) / N_j$. The consumers are asked to rank the nine factors identified for this study as 1, 2 and 3 to determine the products preferred by consumers on online purchase of FMCGs. By referring the Garrett Table the per cent position is converted into scores. Then for each factor, the scores of each are added, and then the mean value is calculated. The factors having highest mean value is considered to be the most important.

Table.2 Consumer Products Preference on Online Purchase of FMCGs

Products	I	II	III	IV	V	VI	VII	VIII	IX	Total	Total Score	Mean Score	Rank
	9	8	7	6	5	4	3	2	1				
Cosmetics and Toiletries	64	72	47	23	31	19	16	13	15	300	1939	68.75	1
	576	576	329	138	155	76	48	26	15				
Medicines	33	56	51	47	34	23	21	20	15	300	1764	61.25	2
	297	448	357	282	170	92	63	40	15				
Fresh and Dry Goods	21	23	39	46	38	43	32	36	22	300	1474	52.56	5
	189	184	273	276	190	172	96	72	22				
Processed Foods	33	30	45	25	28	35	34	32	38	300	1486	56.82	4
	297	240	315	150	140	140	102	64	38				
Prepared Meals	28	22	27	33	25	47	41	43	34	300	1371	51.84	6
	252	176	189	198	125	188	123	86	34				
Beverages	64	33	26	23	25	27	49	23	20	300	1606	59.84	3
	576	264	182	138	125	108	147	46	20				
Cleaning Products	26	22	29	29	44	33	29	49	39	300	1363	46.83	8
	234	176	203	174	220	132	87	98	39				
Baked Goods	23	29	18	33	44	39	32	37	45	300	1354	41.58	9
	207	232	126	198	220	156	96	74	45				
Office Supplies	25	27	23	25	42	41	38	48	31	300	1367	49.11	7
	225	216	161	150	210	164	114	96	31				

Source: Primary data

Table.2 clearly reveals that Garrett Ranking test results of FMCGs preference of online shopping consumers. The online shopping consumers ranked 'cosmetics and toiletries' as their first choice to buy. Followed by Medicine with mean score of 61.25 contributed 2nd rank, Beverages with mean score of 59.84 contributed 3rd rank, Processed Foods with the mean score of 56.82 contributed 4th rank, Fresh and Dry Goods with the mean score of 52.26 contributed 5th rank, Prepared Meals with mean score of 51.84

contributed 6th rank, Office Supplies with mean score of 49.11 contributed 7th rank, Cleaning Products with mean score of 46.93 contributed 8th rank and the least rank is given to Baked Goods with mean score of 41.58 contributed 9th rank.

5.3 Problem towards Online Shopping of FMCGs

To identify the important problem that has been faced by consumers during online shopping of FMCGs, the Friedman test is applied.

Table.3 Problems on Online Shopping – Friedman Rank Test

Statement	SA	A	NO	DA	SDA	Total	Mean Score	Rank
Difficulties in payment	247 (82.3)	36 (12.0)	12 (4.0)	3 (1.0)	2 (0.7)	300 (100)	86.11	1
Difficult to judge product quality	47 (15.7)	199 (66.3)	36 (12.0)	13 (4.3)	5 (1.7)	300 (100)	79.42	2
Correct product may not get	71 (23.7)	73 (24.3)	128 (42.7)	22 (7.3)	6 (2.0)	300 (100)	78.30	3
Delivery charge is very high	56 (18.7)	73 (24.3)	93 (31.0)	45 (15.0)	33 (11.0)	300 (100)	51.71	8
Risk of late delivery	53 (17.7)	83 (27.7)	91 (30.3)	54 (18.0)	19 (6.3)	300 (100)	56.52	7
After sales service is very poor	84 (28.0)	67 (22.4)	70 (23.3)	51 (17.0)	28 (9.3)	300 (100)	62.50	4
Problems of damaged goods return policy	64 (21.4)	91 (30.3)	47 (15.7)	64 (21.3)	34 (11.3)	300 (100)	57.82	6
Fraudulent suppliers	81 (27.0)	61 (20.3)	77 (25.7)	59 (19.7)	22 (7.3)	300 (100)	60.75	5
Mode of payment	56 (18.7)	79 (26.3)	56 (18.7)	90 (30.0)	19 (6.3)	300 (100)	47.62	9

Source: Primary data

Table.3 clearly shows that problems with online shopping of FMCGs, the difficulties in payment with the mean score of 86.11 contributed first rank, difficulty to judge product quality with the mean score of 79.42 contributed 2nd rank, correct product may not get with the mean score of 78.30 contributed 3rd rank, After sales service is very poor with the mean score of 62.5 contributed 4th rank, fraudulent suppliers with the mean score of 60.75 contributed 5th rank, problems of damaged goods return policy with the mean score of 57.2 contributed 6th rank, risk of late delivery with the mean score of 56.52 contributed 7th rank, delivery charge is very high with the mean score of 51.71 contributed 8th rank and mode of payment with the mean score of 47.62 contributed 9th rank.

5.4 Determinants of Customer's Satisfaction -Multiple Regression Analysis

To find the combined influence of select independent variables over dependent variable Multiple Regression tests is employed. Further, to find out the variables that determine Customer's satisfaction, all the variables included for correlation analysis have been regressed on Satisfaction Index. The following regression equation has been framed to ascertain the impact of the variables on consumer satisfaction.

$$\text{Consumer Satisfaction (CS)} = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + b_7 X_7 + b_8 X_8 + b_9 X_9 + b_{10} X_{10} + b_{11} X_{11} + b_{12} X_{12} + b_{13} X_{13} + b_{14} X_{14} + b_{15} X_{15} + b_{16} X_{16} + e$$

CS = Customer Satisfaction a = Intercept Term

b₁...b₁₆ = Regression Coefficients e = Error Term

Table.4 Determinants of Consumer Satisfaction of Online Shopping towards FMCGs

Variables	Regression coefficient	Standard error	T
Sex (X ₁)	2.673	3.804	1.186
Age (X ₂)	0.550	0.483	0.842
Educational Level (X ₃)	0.020	0.021	-1.285
Occupation Status (X ₄)	-0.402	0.257	1.076
Marital Status (X ₅)	0.073	0.158	0.218
Type of Family (X ₆)	0.118	0.631	1.526
Size of Family (X ₇)	1.077	0.565	0.153
Monthly Income (X ₈)	0.024	0.117	1.184
Monthly Expenditure (X ₉)	0.000	0.000	-1.446
Residential Status (X ₁₀)	0.000	0.000	-1.175
Received Products in Time (X ₁₁)	-0.315	0.248	0.868
Received Products in Good Condition (X ₁₂)	0.478	0.516	-0.013
Amount Spent for Online Purchase (X ₁₃)	-0.013	0.481	0.436
Level of Awareness (X ₁₄)	0.141**	0.176	3.168
Level of Preference (X ₁₅)	0.145**	0.027	11.453
Level of Problem (X ₁₆)	-0.360**	-0.026	-7.148

Source: Primary data

Note : * Significant at five per cent level ** Significant at one per cent level

Constant: 2.629

Std. Error of Estimate: 3.842

$\bar{R} = 0.591$ $R^2 = 0.580^{**}$

Table.4 presents multiple regression analysis; Level of awareness positively influences consumer's satisfaction. Customers who have a high level of awareness of online shopping have a high level of satisfaction. Level of preference positively influences consumer's satisfaction. Customers who prefer to purchase a number of goods through online shopping have a high level of satisfaction. Level of problem negatively influences consumer's satisfaction. Customers who have lower level of a problem on online shopping have a high level of satisfaction. The value of R^2 is to be significant at one per cent level. This shows that the regression equation framed is a good fit. Around 58.00 per cent of the variation in the level of satisfaction is due to the select variables.

6. FINDINGS:

- ❖ The study express that factors influencing consumers towards online shopping of FMCGs, convenience with the mean score of 17.22 contributed rank-1, time saving with the mean score of 15.98 contributed rank-2 and less tension with the mean score of 9.42 contributed rank-8 by the FMCGs online shopping consumers.
- ❖ The study reveals that Garrett Ranking test results of FMCGs preference of online shopping consumers. The online shopping consumers ranked 'cosmetics and toiletries' as their first choice to buy, Medicine with mean score of 61.25 contributed 2nd rank and the least rank is given to Baked Goods with mean score of 41.58 contributed 9th rank.
- ❖ The table reveals that problems with online shopping of FMCGs, the difficulties in payment with the mean score of 86.11 contributed first rank, difficulty to judge product quality with the mean score of 79.42 contributed 2nd rank and mode of payment with the mean score of 47.62 contributed 9th rank.
- ❖ The multiple regression analysis result indicated that level of awareness positively influences consumer's satisfaction. Customers who have a high level of awareness of online shopping have a high level of satisfaction.
- ❖ Level of preference positively influences consumer's satisfaction. Customers who prefer to purchase a number of goods through online shopping have a high level of satisfaction.
- ❖ Level of problem negatively influences consumer's satisfaction. Customers who have lower level of a problem on online shopping have a high level of satisfaction. The value of R^2 is to be significant at one per cent level. This shows that the regression equation framed is a good fit. Around 58.00 per cent of the variation in the level of satisfaction is due to the select variables.

7. SUGGESTIONS:

- ❖ Transaction and consumer's information safety are principal concerns of online customers purchasing products online. Therefore online companies can guarantee their consumers' by offering personal information privacy protection policy and guarantee for transaction security by improving their technological systems.
- ❖ Online companies can be more concerned about delivery times; delivery charge and product return policies. They can make it easier, quicker and reliable, so that consumers can enjoy the online shopping experience.
- ❖ One of the biggest sources of customer dissatisfaction is when a product does not match up to the customer's expectations. As a result online seller necessary steps taken to satisfy consumer expectation.

8. CONCLUSION:

The growth of online marketing, the marketers have started selling FMCG products online and as the purchasing power of the consumers is increasing the FMCG in India is also growing online. FMCG is the fourth largest sector in India. Majority of the consumers go for buying FMCG products online because it is convenient for them than stores and mortar stores. The study concluded that level of preference

positively influences consumer's satisfaction. Customers who prefer to purchase a number of goods through online shopping have a high level of satisfaction. Level of problem negatively influences consumer's satisfaction. Customers who have lower level of a problem on online shopping have a high level of satisfaction.

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