

# CUSTOMER PERCEPTION AND SATISFACTION OF FMCG'S WITH SPECIAL REFEREENCE TO THIRUVARUR DISTRICT

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## ABSTRACT

*The consumer behaviour plays a vital role in marketing of fast moving consumer goods. This behaviour is affected by various factors. In the present era of globalisation needs and wants of consumers changes with time. The fast moving consumer goods (FMCG) sector contributes a lot to the growth of India's GDP. Therefore it is necessary to identify the changes in consumer buying behaviour towards FMCG products. This paper highlights and identify the factors affecting consumer buying behaviour towards FMCG products and finally effecting their decision making process. The data for this study has been collected through questionnaire and findings have been theoretically presented. The paper reveals that consumer behaviour is largely affected by place, product, price, and promotion, physiological and psychological factors. However, effect of these factors also differs from product to product.*

**Keywords:** Fast Moving Consumer Goods, Consumer Behaviour, Brand awareness.

## INTRODUCTION

In India FMCG Sector is one of the largest sectors in Indian economy. The FMCG (Fast Moving Consumer Goods) companies have faced tough competition among themselves over the years which is continuously increasing. This is due to the increase in per capita income among individuals and also various developments in rural economy. The FMCG sector has changed its strategies and has opted for a more well-planned marketing of the products to penetrate both the rural and urban markets. To execute these tasks, the FMCG companies are hiring more and more people which have led to an increase in the job prospects in this sector. Thus, FMCG sector is creating massive employment with good career prospects. Marketing, retail, sales, services and supply are the key areas which generates maximum career scopes in FMCG Industry in India.

## REVIEW OF LITERATURE

Vibhuti, *et al.*, (2014)<sup>1</sup> in their article titled "A study on Consumer Buying Behavior towards Selected FMCG Products" have explained that the consumer behaviour plays an important role in marketing of fast moving consumer goods. The authors highlighted that the present era of globalisation needs and wants of consumers changes with time. The fast moving consumer goods (FMCG) sector contributes a lot to the growth of India's GDP. Therefore it is necessary to identify the changes in consumer buying behaviour towards FMCG products. The study reveals examines the factors affecting consumer buying behaviour towards FMCG products and finally effecting their decision making process. The study found that consumer behaviour is

largely affected by place, product, price, promotion, physiological and psychological factors. However effect of these factors also differs from product to product.

Thanigachalam (2014)<sup>2</sup> in his article titled “the consumer behaviour towards fast moving consumer goods in Puducherry” has reveals that the importance promotional offers, availability of brands are important that companies must give it sufficient consideration before they plan and implement their marketing strategies. The FMCGs sector is a very dynamic sector in India. A major goal is to satisfy the needs and wants of consumer and their target markets more effectively and efficiently.

Ganesh (2013)<sup>3</sup> in his article titled “Consumers’ Perception towards Brand Loyalty of FMCG Products -An Analysis” has states that the author analysed that the consumers’ perception towards brand loyalty of the FMCG product is awareness, knowledge, attitude of the brand, risk aversion to change the brand, satisfaction and brand trust of the consumers, variables namely brand, image, product quality, product knowledge, product involvement, products attributes and brand loyalty of consumers.

Mahaboob Basha (2013)<sup>4</sup> in his article titled “A Study on Consumer Behaviour towards FMCG Goods - An Empirical Study with Special Reference to Nellore District of Andhra Pradesh” has highlights that 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 in Nellore District of Andhra Pradesh.

## **OBJECTIVES OF THE STUDY**

The researcher has framed the following objectives. They are

1. To identify the factors affecting consumer buying behaviour and consumer decision making Process.
2. To study consumers’ brand awareness in selected FMCG product categories.
3. To conclude and suggest strategies for effective marketing of FMCG products.

## **METHODOLOGY**

The study has used both the primary data and secondary data. The primary data has been directly collected from the respondents by using questionnaire with the help of convenient sampling method. The total number of samples was 115 in six areas from Thiruvarur District. The secondary data were collected through various journals, magazines, reports and newspapers.

## **SIGNIFICANCE OF THE STUDY**

There is a much need to understand consumer behavior towards fast moving consumer goods in Thiruvarur District of Tamil Nadu. The development of business is depends on consumer satisfaction when consumer satisfies the growth of the business in terms of sales would gradually increase FMCG’s goods.

## **SAMPLING DESIGN**

For the purpose of the study 115 respondents have been chosen in Thiruvarur District by using convenience sampling technique. The questionnaire was prepared and administered in person to all the

respondents. The information collected have been edited for reliability and consistency and presented in a master table for analysis.

### TOOLS FOR ANALYSIS:

In this study the raw data are classified, edited and tabulated for analysis. The following were the some of the tools used such as percentage analysis, Independent sample t test and Analysis of Variance (ANOVA).

### HYPOTHESIS OF THE STUDY

The researcher has framed the following null hypothesis. They are

1. There is no significant difference between factors influencing purchase decision of FMCG products and size of the family of customers.
2. There is no significant difference between factors influencing purchase decision of FMCG products and educational background of customers.

### DEMOGRAPHIC PROFILE

The demographic profile of the respondents gives overall information about personal profile of the respondents, which consists of gender, age, occupation, educational background, monthly income, residential status, and marital status, type of family and size of the family. The following table gives a brief account of the same.

**Table 1 Demographic Profile**

Profile	Variables	No. of Respondents	Percentage
Gender	Male	70	60.87
	Female	45	39.13
Total		<b>115</b>	<b>100</b>
Age	Below 20 years	7	6.09
	21 - 40 years	68	59.13
	41 - 60 years	36	31.30
	Above 60 years	4	3.48
Total		<b>115</b>	<b>100</b>
Occupation	Agriculturist	16	13.91
	Salaried Class	93	80.87
	Others	6	5.22
Total		<b>115</b>	<b>100</b>
Education	Illiterate	6	5.22
	Below Higher Secondary	35	30.43
	Under Graduate	63	54.78
	Post Graduate	11	9.57
Total		<b>115</b>	<b>100</b>
Monthly Income	Below Rs. 20,000	66	57.39
	Rs. 20001 - 40000	25	21.74
	Rs. 40001 - 60000	19	16.52
	Above Rs. 60000	5	4.35
Total		<b>115</b>	<b>100</b>
	Rural	33	28.70

Residential Status	Urban	82	71.30
Total		<b>115</b>	<b>100</b>
Marital Status	Married	90	78.26
	Unmarried	25	21.74
Total		<b>115</b>	<b>100</b>
Type of Family	Nuclear	73	63.48
	Joint	42	36.52
Total		<b>115</b>	<b>100</b>
Size of Family	Below 3	17	14.78
	3 - 5	80	69.57
	Above 5	18	15.65
Total		<b>115</b>	<b>100</b>

Source: Primary data

Table 1 ventilates that in respect of gender distribution, 70 respondents (60.87 per cent) are male and 45 of them (39.13 per cent) are female. Majority of the respondents belongs to the age group (21-40) consist of 59.13 per cent, middle aged consist of (41-60) 31.30 per cent, 6.09 per cent consist of below 20 years and above 60 years consist of only 3.48 per cent. With regard to occupation, 93 respondents (80.87 per cent) belong to salaried class people, 16 of them (13.91 per cent) agriculturist and 6 of them (5.22 per cent) others. The literacy rate of the respondents who are the customers of FMCG products is normally good. 63 of them (54.78 per cent) have completed their under graduation, 35 of them (30.43 per cent), are below higher secondary, 11 respondents (9.57 per cent) are post graduate and 6 respondents (5.22 per cent) are illiterates. Out of 115 respondents, 57.39 per cent of the respondents have been earned an monthly income of below Rs.20,000, 21.74 per cent of them Rs.20,001-40,000, 16.52 per cent of them Rs.40,001 to Rs.60,000 and only 4.35 per cent of them have monthly income of above Rs.60,000. With regards to residential status, 71.30 per cent of the respondents belong to urban area and 28.70 per cent of them belong to rural area. With regards to the marital status reveals that 78.26 per cent of them are married and 21.74 per cent of them are unmarried. Out of 115 respondents, 63.48 per cent of the respondents are lived in nuclear family and 36.52 per cent of the respondents are joint family. With regards to size of family, 69.57 per cent of the respondents belong to 3-5 family members, 15.65 per cent of the respondents belong to above 5 members and 14.78 per cent of the respondents belong to below 3 members.

## **RANKING OF BRAND AWARENESS ABOUT THE FMCG PRODUCTS**

### **Ranking of Brand Awareness of Hair Care**

The Rural areas are anticipated to be the chief carter for FMCG, as improvement continues to be high in these regions. Today's user wants packed goods that perform better, faster, and smarter. This study aims to recognize the level of brand consciousness and it will refine tastes of the consumers as well. Garret ranking analysis is used to find out the brand awareness of hair care. The result of garret ranking analysis is presented in Table 2.

**Table 2 Garret Ranking for the Brand Awareness of Hair Care**

S.No.	Brand	Total Score	Mean Score	Rank
1	Head & Shoulder	6131	53.31	VI
2	Clinic Plus	7026	61.10	III
3	Pantene	7972	69.32	I
4	Meera	5089	44.25	IX
5	Dove	6636	57.70	IV
6	All clear	5694	49.51	VIII
7	Garnier	6231	54.18	V
8	L'orel Paris	4494	39.08	X
9	Sun silk	7464	64.90	II
10	Alovera	6034	52.47	VII
Average		6277	54.58	

Source: Computed data

It is comprehended from the result obtained through garret ranking Pantene in the hair care selected products ranks first with a mean score of (69.32) which is followed by Sun silk (64.90), Clinic Plus (61.10), Dove (57.70), Garnier (54.18), Head & Shoulder (53.31), Alovera (52.47), All clear (49.51), Meera (44.25) and L'orel Paris (39.08). There are four variables which are above the average score of 51.73 and the rest six variables (products are) score lower than the average.

## **GARRET RANKING FOR THE BRAND AWARENESS OF SKIN CARE**

### **Ranking of Brand Awareness of Skin Care**

Garret ranking analysis is used to find out the brand awareness of skin care. The result of garret ranking analysis is presented in Table 3.

**Table 3 Garret Ranking for the Brand Awareness of Skin Care**

S.No.	Brand	Total Score	Mean Score	Rank
1	Fair & Lovely	5871	51.05	V
2	Garnier	8276	71.97	I
3	Ponds	7728	67.20	II
4	Nivea	3824	33.25	IX
5	Lakme	7163	62.29	III
6	Face care	6319	54.95	IV
7	Lotus	5380	46.78	VI
8	Olay	3233	28.11	X
9	Elf	4444	38.64	VIII
10	Aloe	5015	43.61	VII
Average		5725	49.79	

Source: Computed data



It is understood from the result obtained through Garret Ranking Garnier in the skin care selected products first rank with a mean score of (71.97), which is followed by Ponds (67.20), Lakme (62.29), Face care (54.95), Fair & Lovely (51.05), Lotus (46.78), Aloe (43.61), Elf (38.64), Nivea (33.25) and Olay (28.11). There are five variables which are above the average score of 49.79 and the rest five variables (products are) score lower than the average.

### **FACTORS INFLUENCING PURCHASE DECISION OF FMCG PRODUCTS AND SIZE OF THE FAMILY OF CUSTOMERS**

In order to find out the relationship between factors influencing purchase decision of FMCG products and size of the family of customers, analysis of variance (ANOVA) was attempted with the null hypothesis as, “There is no significant relationship between factors influencing purchase decision of FMCG products and size of the family of customers”. The result of ANOVA is given in Table 4.

**Table 4 Factors Influencing Purchase Decision of FMCG Products and Size of the Family of Customers – ANOVA**

Factors	Size of Family	Mean	Standard Deviation	df	F	P Value
Product	Below 3	22.3871	2.6616	2	11.424	.000
	3 - 5	24.9484	2.1424	122		
	Above 5	24.6856	1.2868	124		
Price	Below 3	33.7005	4.0368	2	12.302	.000
	3 - 5	36.7237	3.6100	122		
	Above 5	32.7154	3.4227	124		
Place	Below 3	40.3871	2.6616	2	5.560	.005
	3 - 5	38.9481	3.8852	122		
	Above 5	35.7154	6.9552	124		
Promotion	Below 3	40.7303	4.2222	2	8.776	.000
	3 - 5	42.8882	4.6086	122		
	Above 5	37.0587	9.4289	124		

Source: Computed data

Table 4 exhibits that the results of ANOVA based on factors influencing purchase decision of FMCG products among different size of the family of customers. Since the ‘p’ value of factors influencing purchase decision of FMCG products namely products, price, place and promotion are less than 0.05, the null hypothesis is rejected. Hence, it is concluded that there is a significant difference between factors influencing purchase decision of FMCG products and size of the family of customers

### **FACTORS INFLUENCING PURCHASE DECISION OF FMCG PRODUCTS AND EDUCATIONAL BACKGROUND OF CUSTOMERS**

In order to find out the relationship between factors influencing purchase decision of FMCG products and educational background of customers, analysis of variance (ANOVA) was attempted with the null hypothesis as, “There is no significant relationship between factors influencing purchase decision of FMCG products and educational background of customers”. The result of ANOVA is given in Table 5.

**Table 5 Factors Influencing Purchase Decision of FMCG products and Educational Background of customers – ANOVA**

Factors	Education	Sum of Squares	df	Mean Square	F	P Value
Product	Between Groups	212.931	3	70.964	19.169	.000
	Within Groups	447.981	121	3.702		
	Total	660.923	124			
Price	Between Groups	799.508	3	266.546	27.859	.000
	Within Groups	1157.582	121	9.557		
	Total	1957.212	124			
Place	Between Groups	405.521	3	135.163	7.783	.000
	Within Groups	2101.322	121	17.356		
	Total	2506.842	124			
Promotion	Between Groups	1049.539	3	349.848	12.902	.000
	Within Groups	3280.713	121	27.123		
	Total	4330.262	124			

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, price, place and promotion are less than 0.05, the null hypothesis is rejected. Hence it is concluded that there is a significant difference between factors influencing purchase decision of FMCG products and educational background of customers.

### SUGGESTIONS

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. For this, 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. It is recommended that the consumers of the FMCG products should be conscious about the media (especially television advertisement) which certainly do have an undue influence over them in the preference of the FMCG products. Manufacturers should use the retailers like convenience stores, discount stores and off price leader etc. even though it is not popular in Indian markets. The regular and continuous improvements in the products are necessary after the careful research programmed that definitely not at the cost of the quality and hygiene.

### CONCLUSION

The study reveals that the perception towards Fast Moving Consumer Goods in particular reference to Thiruvarur District from the point of view of the customers. The experiences of the customers are the major source for the study that emphasizes the entry of the number of outlets at an easy reach. The quality products should not afraid of the higher pricing. The health and hygiene are important for the growth of FMCG products. The sales outlets and their service with good facets attract more customers. The customers are to be provided

with all details of the products sold either at outlets or retail shops. In this view, the researcher has concluded the study with the inferences and suggestions. This work is carried due to the increasing competition of the retail markets and outlets. In this modern age of business arena, the Fast Moving Consumer Goods are consumed continuously by all the types of customers irrespective of the discrimination of the income, residence, status etc. Hence the researcher has enacted to describe the utility of all the manufacturers of fast moving consumer goods to sustain the market. The groceries and toiletries are at the fast in sales and they are followed by the others in the modern market. Hence, it is concluded that this sort of study is significant to draw the market potentials of the Fast moving consumer goods particularly the Thiruvarur like city. In future, the retail outlets and shops are fine-tuned with several facilities to reach the consumers and their interest.

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