Customer's Perception and Behavior towards Fast Moving Consumer Goods – with Special Reference to Vellore District

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ABSTRACT

This article addresses the perception and behavior of consumers when it comes to fast- moving consumer goods. The Fast Moving Consumer Goods (FMCG) sector is India's fourth biggest industry, with products that affect everyone's lives on a daily basis. When it comes to the marketing of fast moving consumer products, customer behavior is very essential to consider. In the end, the ultimate aim of all marketing efforts is to satisfy the desires of consumers. Rapid technological advancements, better economic systems, increased buying power of customers, changing lifestyles, as well as online marketing and retail possibilities, all have a significant impact on Indian company. Customers purchasing behavior has changed dramatically as a result of the organization of retailing operations in the market place. Consumer behavior is a dynamic processby its very nature. As a result, making precise predictions regarding future sustainable development of company prospects based on customer behavior is a difficult task. Various variables have an impact on this kind of behavior. Consumer's requirements and desires vary withtime in the current age of globalization. As a result, it is essential to track shifts in customer purchasing behavior toward fast-moving consumer goods items. Developing marketing strategies that adapt to changing customer demands should be carefully considered by corporate organizations before implementation. For this investigation, a total of 70 samples were collected from the Vellore area and utilized. It is undeniable that the satisfaction of the customer is much

more essential, and it is the company's duty to grasp the customer's perspective and respond in amanner consistent with that impression.

Keywords: Fast Moving Consumer Goods (FMCG), Marketing Strategies, Customer Satisfaction,Customer Perception.

1. INTRODUCTION

The fast moving consumer goods industry is one of India's most successful economic sectors. The FMCG Sector section provides in-depth analysis of current market trends, problems, and opportunities, as well as the needs of the FMCG sector. Fast moving consumer goods, or FMCG, or consumer packaged goods (CPG), are low-cost products that are sold, replaced, or completely consumed within a year, typically in a matter of days, weeks, or months. In the marketing of all consumed goods, including personal care products, household care products, food and beverage products, and the FMCG product is sales in the marketing of all consumed goods. The personal care products such as soaps and cosmetics, toiletries, and household care products such as fabric wash and household cleaners, as well as food and beverage products such as health beverages, soft drinks, dairy products, bakery products, chocolates, and so on, are examples of how the Indian economy is transitioning dramatically away from a tightly controlled economy toward a more liberated market system driven by telecommunications. It has already begun to havean impact on consumer behavior in the nation in regards to products and services. It is often believed that consumers are the true rulers of contemporary business, since they are the ones who make the decisions about whether to keep or remove any particular corporate organization from the market. Keeping up with consumer behavior toward their products and services has become a major issue for any corporate organization that wishes to stay competitive and meet the requirements of its clients. Consumers in rural regions usually buy their products from cities and villages in the surrounding area. There has been a recent change in consumer purchasing behavior toward buying locally, which has resulted in the necessity for more effective local advertising activities to raise brand recognition in small communities. FMCGs contribute significantly to the economy since they are inelastic goods that affect every aspect of the consumer's life. Businessesthat provide FMCGs to a rural community may contribute to the creation of job opportunities as well as the reduction of the cost of such goods in such communities. Examples include fast moving consumer goods (FMCGs), which account for the fourth biggest sector in the Indian economy andprovide employment to more than three million people in downstream businesses.

FCMGs are sold in huge numbers, which makes them a dependable source of revenue for businesses. Due to the large number of sales, it is possible to offset the poor profit margins on individual transactions. FMCG companies typically provide limited growth potential as investments, but they are safe bets since their margins are predictable, their returns are consistent,and their dividends are paid on a regular basis. Shoppers all over the globe are increasingly turningto the internet to purchase the items they need because it offers a number

of advantages over traditional brick-and-mortar shops, including door-to-door delivery, a wide variety, and cheap pricing. Not unexpectedly, the most popular e-commerce categories include non-consumer items, such as ecological products and entertainment products, as well as consumer goods. Increased online sales of foodstuffs and other consumables are being driven by businesses that are redefining the efficiency of supply logistics and lowering delivery time frames. Despite the fact that non- consumer items will continue to dominate in terms of pure volume, improvements in logistical efficiency have boosted the usage of e-commerce platforms to purchase fast moving consumer goods (FMCGs).

Cause marketing draws prospective consumers who have a strong connection with the company's cause and are more inclined to convert to a more aggressive brand approach. CRM assists in the retention of current consumers by establishing long-term connections that are more sustainable in nature than conventional marketing methods. The business's stakeholders, whether they are workers, suppliers, consumers, or the environment, feel reassured and more confidence in the company's broader goals, which go beyond just producing sales and profits to include social and environmental responsibility. Companies are becoming more aware of the benefits of associating themselves with a cause now than they have ever been. The strategy was first used to boost sales and profits, but it is now being utilized as a fantastic brand positioning technique since it works on revitalizing brand equity and improving corporate image while also having positive economic and social consequences. Consequently, this research is an effort to investigate customer perceptions of linked businesses and their products, as well as how that impression affects their purchasing behavior, via focus groups.

2. REVIEW OF LITERATURE

Oraman (2018) emphasized that rapidly moving consumer goods (FMCG) or packaged consumer goods (CPG) are products offered swiftly and cheaply. This product contains non- durable goods such as soft beverages, hygiene, and food items. Customers have discovered or experienced nearly every day that when they go to a store to purchase specific things, they leave with other items that were not on their shopping list. The key to success is always to provide the appropriate product to the people at the right moment. A thorough market research study is required before releasing any product. The purpose of this study is to learn how FMCG businesses have used effective tactics that have elevated their brand above the competition. Some of these methods include multi-brand strategy, product flanking, brand expansions, developing product lines, new product growth, product life cycle strategy, and utilizing a wide distribution network. As a consequence of the study, there were significant positive correlations between the efficacy of an FMCG and its marketing approach. An FMCG marketer uses a wide range of strategies. For example, if expenses are competitive, the business may utilize a wide distribution network, as well as design suitable advertising and sales promotion programs.

Ruchi Jaggi and Munmun Ghosh (2017) performed a survey in the city of Pune with the goal of determining customer perceptions of the Patanjali brand. The research was funded by the Patanjali Foundation.

According to the answers to a closed-ended questionnaire, the most significant factors contributing to the popularity of Patanjali goods were competitive price, product quality, and effective communication tactics. The study's original goal was to gather information on the brands that customers use for everyday items such as toothpaste, soap, shampoo, detergents, edible oils, wheat flour, and other similar items as they went about their daily lives. The research looked at the factors that have contributed to the growing popularity of Patanjali goods as well as the increasing favorable brand impression associated with them. According to the findings of the study, competitive pricing, high-quality goods and effective communication tactics were the most significant factors in enabling Patanjali to acquire popularity and, as a consequence, improve its brand image.

According to **Bijuna Mohan and Sequeira (2016),** measuring brand equity has been a significant issue for businesses in the Indian fast moving consumer goods (FMCG) sector. The research looked at the effect of brand equity on the operational performance of companies in the Indian FMCG sector. The research employs both descriptive and exploratory methods. According to the findings, there is a link between brand equity and company operational performance. The practical consequences of the results are that brand equity must be properly managed in order to enhance company operational performance. As a result, the aspects of brand equity for the FMCG sector in India include brand loyalty, perceived quality, brand awareness, and brand association. The connection was strongest for brand association, followed by brand loyalty, perceived quality, and brand awareness. The findings backed up the suggested four-factor model. By exploring the complexity of this concept, the research adds to our knowledge of brand equity measurement.

Mahaboob Basha (2016) sought to investigate customer behavior at the point of purchase and to identify the variables that affect the purchase of fast-moving consumer products. The stratified random sample method was used to choose 50 respondents in Nellore city for the research. In a competitive environment, the author believes that raising product awareness is critical to capturing market share. According to the study, when a client is pleased, his or her buying level progressively increases, resulting in a rise in the company's sales. In this study effort, the researcher is attempting to discover variations in customer opinion based on age, educational qualification, region, and gender about consumer behavior toward fast moving consumer products. According to the findings of the current research, the success of many companies is dependent on their capacity to generate and keep consumers.

Sonia and Garima Dalal (2014), "To Study the Satisfaction Level of Customers Towards the Brand of Consumer Goods - A Study Carried Out on Rural Masses", During the past fifty years or so, the Indian Fast Moving Consumer Goods (FMCG) sector has begun to take shape and develop. The fast moving consumer goods (FMCG) industry is a cornerstone of the Indian economy. This industry has an impact on every area of human existence. For a long time, the Indian fast-moving consumer goods (FMCG) industry has been split between the organized sector and the unorganized sector.

METHODOLOGY

Significance of the study

In this competitive world, marketing strategies of FMCG products plays a vital role. Effective marketing strategies of the company attract the customers towards the FMCG products. So the company should analyze the customer perception and behavior towards FMCG products.

Objectives of the study

1. To analyze customer satisfaction on marketing strategies of FMCG products in Vellore district.
2. To suggest effective marketing strategies to attract potential clients towards FMCGproducts in Vellore district.

Research Design

A researcher's research design is the framework for the methodologies and procedures he or she will use in doing research. The approach enables researchers to examine and develop successful research techniques that are appropriate for the topic.

Descriptive research design

In this study the descriptive design of research was used to create research instruments and measuring scales and to collect code and enter, analyze and interpret data, and generate andtest hypotheses.

Exploratory research design

The research method in this analysis has been used for the purpose of doing a literature review, identifying antecedents and consequences, identifying research gaps and conducting a pilotstudy.

Hypotheses of the study

$H_{01.1}$: There is no significant difference between Age of the respondents and Customer perception,Customer behavior, Customer satisfaction and Customer loyalty.

$H_{01.2}$: There is no significant difference between Gender of the respondents and Customerperception, Customer behavior, Customer satisfaction and Customer loyalty.

H_{02}: There is no correlation between customer perception and customer behavior. H_{03}: There is no correlation between customer perception and customer satisfaction.H_{04}: There is no correlation between customer perception and customer loyalty.

H_{05}: There is no correlation between customer behavior and customer satisfaction.H_{06}: There is no correlation between customer behavior and customer loyalty.

Sample size and sampling technique

The present study included a sample size of 70, and the data was collected via conveniencesampling.

3. ANALYSIS AND INTERPRETATIONS

$H_{01.1}$: There is no significant difference between Age of the respondents and Customerperception, Customer behavior, Customer satisfaction and Customer loyalty.

Table 4.1

S.No	Sections	Age (n=70) (in years)								F Value	Statistical result
		15-25(18)		25-35(19)		35-45(19)		45 Above(14)			
		Mean	SD	Mean	SD	Mean	SD	Mean	SD		
1.	Customer perception	18.44	2.33	18.16	2.85	17.89	5.17	17.00	4.06	.421	.739
2.	Customer behavior	17.56	2.431	17.84	3.39	17.05	5.44	16.36	4.431	.407	.749
3.	Customer satisfaction	17.44	4.87	18.89	2.96	19.95	2.63	17.79	3.38	1.833	.150
4.	Customer loyalty	36.00	4.21	36.00	5.69	35.00	10.36	33.36	8.04	.433	.730

	Composite score	147.72	14.04	148.63	19.11	147.00	33.32	136.50	26.41	.820	.488

Test of significant difference between Age of the respondents and Customer perception, Customer behavior, Customer satisfaction and Customer loyalty.

**Significant at P>0.05

Table 4.1 – Anova was applied to find out the difference between the means of groups based on the age and key variables and to test the null hypothesis stating that there is no significant difference between age of the respondents and customer perception, customer behavior, customer satisfaction and customer loyalty. The results of the table 4.1 are interpreted below:

It shows that the respondents who are in the age group of 25-35 years have high overall composite score of key variables (Mean=148.63, SD=19.11), when compared to the age group of 15-25 (Mean=147.72, SD=14.04), the age group of 35-45 (Mean=147.00, SD=33.32) and the age group of 45 above (Mean=136.50, SD=26.41). The F-value is .820. Thus, the observed difference is statistically not significant at 0.05 levels.

While testing the null hypothesis, it has been found that there is no significant difference between age of the respondents and customer perception, customer behavior, customer satisfaction and customer loyalty of the respondents. Hence the null hypothesis is accepted.

Result: The null hypothesis ($H_{01.1}$) is accepted.

$H_{01.2}$: There is no significant difference between Gender of the respondents and Customer perception, Customer behavior, Customer satisfaction and Customer loyalty.

Table 4.2

Test of significant difference between Gender of the respondents and Customer perception, Customer behavior, Customer satisfaction and Customer loyalty.

	Sections	Gender (n=70)		F Value	Statistical result

S. No		Male(34)		Female(34)		Other(2)			
		Mean	SD	Mean	SD	Mean	SD		
1.	Customer perception	18.12	3.98	17.79	3.59	17.00	1.41	.125	.882
2.	Customer behavior	17.38	4.4	17.21	3.78	16.00	1.41	.114	.892
3.	Customer satisfaction	19.35	3.5	18.00	3.52	15.50	6.36	1.99	.144
4.	Customer loyalty	35.53	8.024	35.00	6.92	33.00	2.83	.133	.876
	Composite score	**147.91**	**26.19**	**143.71**	**22.6**	**136.00**	**21.21**	**.409**	**.666**

**Significant at P>0.05

Table 4.2 – Anova was applied to find out the difference between the means of groups based on the gender and key variables and to test the null hypothesis stating that there is no significant difference between gender of the respondents and customer perception, customer behavior, customer satisfaction and customer loyalty. The results of the table 4.2 are interpreted below:

It shows that the respondents who are male have high overall composite score of key variables (Mean=147.91, SD=26.19), when compared to female respondents (Mean=143.71, SD=22.6), and other respondents (Mean=136.00, SD=21.21).The F-value is .409. Thus, the observed difference is statistically not significant at 0.05 levels.

While testing the null hypothesis, it has been found that there is no significant difference between gender of the respondents and customer perception, customer behavior, customer satisfaction and customer loyalty. Hence the null hypothesis is accepted.

Result: The null hypothesis (H$_{01.2}$) is accepted.

H_{02}: There is no correlation between customer perception and customer behavior.

Table 4.3

Correlation tests between customer perception and customer behavior.

S. No	Variability	TEST	CUSTOMER PERCEPTION	CUSTOMER BEHAVIOR
1.	CUSTOMER PERCEPTION	Pearson Correlation	1	.798**
		Sig. (2-tailed)		.000
		N	70	70
2.	CUSTOMER BEHAVIOR	Pearson Correlation	.798**	1
		Sig. (2-tailed)	.000	
		N	70	70

(* *). Correlation is significant at the 0.01 level (2-tailed).

Table 4.3 –presents the results of Pearson's correlation test between the variables of customer perception and customer behavior. From the above table 4.3, it is resulted that there is a significant correlation between the variables. Also, it is found that there is a correlation (r=.798, p<0.01 sig) between the customer perception and customer behavior.

Result: The null hypothesis (H_{02}) is a significant correlation.

H03: There is no correlation between customer perception and customer satisfaction.

Table 4.4

Correlation tests between customer perception and customer satisfaction.

S. No	Variability	TEST	CUSTOMER PERCEPTION	CUSTOMER SATISFACTION
1.	CUSTOMER PERCEPTION	Pearson Correlation	1	.105**
		Sig. (2-tailed)		.389
		N	70	70
2.	CUSTOMER SATISFACTION	Pearson Correlation	.105**	1
		Sig. (2-tailed)	.389	
		N	70	70

(* *). Correlation is significant at the 0.01 level (2-tailed).

Table 4.4 –presents the results of Pearson's correlation test between the variables of customer perception and customer satisfaction. From the above table 4.4, it is resulted that there is no significant correlation between the variables. Also, it is found that there is no correlation (r=.105, p>0.01 sig) between the customer perception and customer satisfaction.

Result: The null hypothesis (H03) is no significant correlation.

H_{04}: There is no correlation between customer perception and customer loyalty.

Table 4.5

Correlation tests between customer perception and customer loyalty.

S. No	Variability	TEST	CUSTOMER PERCEPTION	CUSTOMER LOYALTY
1.	CUSTOMER PERCEPTION	Pearson Correlation	1	.944**
		Sig. (2-tailed)		.000
		N	70	70
2.	CUSTOMER LOYALTY	Pearson Correlation	.944**	1
		Sig. (2-tailed)	.000	
		N	70	70

(**). Correlation is significant at the 0.01 level (2-tailed).

Table 4.5 –presents the results of Pearson's correlation test between the variables of customer perception and customer loyalty. From the above table 4.5, it is resulted that there is a significant correlation between the variables. Also, it is found that there is a correlation (r=.944, p<0.01 sig) between the customer perception and customer loyalty.

Result: The null hypothesis (H_{04}) is a significant correlation.

H$_{05}$: There is no correlation between customer behavior and customer satisfaction.

Table 4.6

Correlation tests between customer behavior and customer satisfaction.

S. No	Variability	TEST	CUSTOMER BEHAVIOR	CUSTOMER SATISFACTION
1.	CUSTOMER BEHAVIOR	Pearson Correlation	1	.065**
		Sig. (2-tailed)		.591
		N	70	70
2.	CUSTOMER SATISFACTION	Pearson Correlation	.065**	1
		Sig. (2-tailed)	.591	
		N	70	70

(* *). Correlation is significant at the 0.01 level (2-tailed).

Table 4.6 –presents the results of Pearson's correlation test between the variables of customer behavior and customer satisfaction. From the above table 4.6, it is resulted that there is no significant correlation between the variables. Also, it is found that there is no correlation (r=.065, p>0.01 sig) between the customer behavior and customer satisfaction.

Result: The null hypothesis (H$_{05}$) is no significant correlation.

H₀₆: There is no correlation between customer behavior and customer loyalty.

Table 4.7

Correlation tests between customer behavior and customer loyalty.

S. No	Variability	TEST	CUSTOMER BEHAVIOR	CUSTOMER LOYALTY
1.	CUSTOMER BEHAVIOR	Pearson Correlation	1	.951**
		Sig. (2-tailed)		.000
		N	70	70
2.	CUSTOMER LOYALTY	Pearson Correlation	.951**	1
		Sig. (2-tailed)	.000	
		N	70	70

(* *). Correlation is significant at the 0.01 level (2-tailed).

Table 4.7 –presents the results of Pearson's correlation test between the variables of customer behavior and customer loyalty. From the above table 4.7, it is resulted that there is a significant correlation between the variables. Also, it is found that there is a correlation (r=.951, p<0.01 sig) between the customer behavior and customer loyalty.

Result: The null hypothesis (H₀₆) is a significant correlation.

4. RECOMMENDATIONS

FMCG items, such as skin care products, may provide the rural market with a brand image and loyalty, but commodities like soaps, detergents and cold drinks need to continue to concentrate on brand loyalty among rural customers. Respondents think that packaging is the least striking aspect of a product in rural areas; therefore manufacturers should concentrate more on packaging their FMCG goods. The majority of respondents agreed that FMCG goods are more readily available in urban markets, which clearly shows that marketers must create a unique set of rural market location strategies in order to increase the efficiency of FMCG products in rural markets. Consumer buying choices have been found to be affected by either themselves or their family and friends, with social networking having the least effect. As a result, marketers should concentrate their efforts on the rural customer, as well as his family and friends. According to the results of the survey, promotional schemes play an important role in rural marketing, as the vast majority of respondents from rural markets strongly agreed to look for different schemes in FMCG products. As a result, dealers should provide consumers with the greatest number of promotional schemes as possible in order to make any product popular in rural markets.

5. CONCLUSION

Consumer perception is critical for any business selling to a target audience; the firm mustunderstand the audience's mindset, how to meet their needs, and how to differentiate themselves in the market. Additionally, the firm must assess the competition available in the market and analyze their strengths and weaknesses in order to gain a competitive advantage. Customer acquisition and retention are critical components of many companies' long-term survival and success. The ability of companies to offer their goods at a consistent price with high quality, availability of brands in all shops, and lower cost of acquiring new consumers is a significant advantage. Brand Loyalty offers businesses with powerful and competitive weapons to compete in the market. The adoption of successful marketing tactics, as a result, results in increased consumer satisfaction.

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