



A STUDY OF CONSUMER BUYING BEHAVIOR TOWARDS FMCG PRODUCTS

UNDER THE GUIDANCE OF
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INTRODUCTION TO FMCG PRODUCT

Products that are bought and sold often yet have a low overall value are known as fast-moving consumer goods (FMCG). Consumers tend to replace Fast-Moving Goods (FMCG) annually. Customers often purchase these goods in smaller amounts to meet their individual or family needs. Since these things wear out quickly, they need to be changed often. The prices are reasonable for what is being offered. Similar to other perishable items, they have short storage periods. Any consumable, whether perishable or long-lasting, may be taken.

Glassware, light bulbs, batteries, paper products, plastic items, and a broad range of toiletries, cleaning soaps, cosmetics, teeth cleansers, shaving products, and detergents are all examples of fast moving consumer goods.

Products that fall under the "fast moving consumer goods" category include medicines, electronics, packaged meals, soft beverages, tissue paper, and chocolate bars. Cell phones, MP3 players, digital cameras, GPS devices, and laptop computers are all examples of modern consumer electronics that fall under the category of "fast-moving consumer goods." Those are the digital products that are updated the most often. "White goods" are typical electrical gadgets like TVs, stereos, and refrigerators in the rapidly changing consumer products market.

There was a time when Indian manufacturers and distributors of fast-moving consumer goods (FMCG) didn't care much about serving the country's rural regions. Thereby, India's fast-moving consumer goods (FMCG) agencies began their formative years. Businesses in the fast-moving consumer goods (FMCG) sector have modernized their operations and advertising to keep up with changing customer preferences.

The future of the fast-moving consumer goods (FMCG) business in India is brightest in the country's rural marketplaces. The market for consumer-packaged products is substantially bigger and less cutthroat than its counterpart. Agricultural customers now have more disposable cash, driving up demand for fast-moving consumer goods (FMCG).

FMCG is an abbreviation for fast-moving consumer goods, often known as CPGs. Besides food and medication, this category include everything else that people routinely purchase. Items like packaged meals, home furnishings, and even certain devices might make the cut. The same goes for cleaning supplies including soaps, detergents, shampoos, tooth paste, razors, and shoe polish. There is a lot of money to be made off of these items and they are designed for mass appeal. Every household spends a significant percentage of their weekly income on FMCG. Due to customers' penchant for a broad variety of products, there may be a sizable amount of fast-moving consumer goods (FMCG) floating about the economy at any one time. The FMCG industry is subject to severe levels of competitive pressure.

Distributors play an important role for manufacturers of consumer packaged products. A significant portion of an organization's resources go into supporting its distribution networks. New entrants that want to reach customers throughout the country will need to invest heavily in marketing. Manufacturing may be outsourced. Multinational enterprises and cheap imported goods are a relatively recent phenomenon. The presence of both small, locally based enterprises and national manufacturers in more distant places increases market competition.

One of India's most dynamic industries is the fast-moving consumer goods (FMCG) business, which was worth an estimated Rs. 48,000 billion in 2005. According to AC Nielsen India, sales increased by 5.3% during 2004–2005. India's fast-moving consumer goods (FMCG) industry is the country's fourth-largest with about US\$13.1 billion in annual sales. In this area, existing distribution networks face stiff competition from both the organised and unorganized sectors. Multinational corporations (MNCs) have a massive and aggressive presence throughout the whole FMCG value chain in India. Brand owners may capitalize on the fast-moving consumer goods (FMCG) industry by targeting the growing middle class and agricultural sectors in India. Despite the fact that most product categories in India, such as jams, toothpaste, skin care, shampoos, etc., have low per capita consumption and poor penetration level, there is still significant room for development. The Indian economy is growing by leaps and bounds because to increased urbanization, increasing literacy, and rising per capita income. AC Nielsen found that 62 of the top 100 brands are owned by MNCs and the remaining 38 are owned by Indian agencies, highlighting both the tremendous growth of large companies and the rebirth of local enterprises in India. Hindustan Lever is only one of 15 corporations that are responsible for these 62 brands. Thums Up helps Pepsi reach #3 thanks to product placement. Britannia comes in at number nine, behind Colgate, Nirma, Coca-Cola, and Parle. The soft drink and cigarette businesses have never been transparent with data like this. Personal care, cigarettes, and drinks are the three most lucrative FMCG categories. They are in charge of 35 of the top 100 brands in the world.

LITERATURE REVIEW

Basu Purba (2014)

Suggested that individualities in less- populated places are choosing to alter their cultures. The advertising strategies of utmost FMCG businesses now concentrate substantially on the pastoral Indian request. He spoke about how multitudinous FMCG enterprises, similar Titan with their Sonata watches and Coco Cola with their 200 ml vessel, and the extraordinary strategies of HUL and Marico, have approached reaching the pastoral request. The National Council for Applied Economic Research test is on his mind. The NCAER estimates that by 2007, there will be 190 million middle- and high- income pastoral families, over from the present 140 million. The estimate for civic India's population in 2050 is 79 million, over from the current 65 million. As a result, it's prognosticated that pastoral India's overall population would be double that of metropolitan India.

Tognatta Pradeep (2015),

Suggested that, Last time, agrarian growth contributed further than 10 to India's GDP growth, while artificial growth contributed 8.5. This indicates a significant opening for the marketer to capitalize on growing interest. To have an impact in pastoral areas, you need effects like an understanding of the original culture, a solid distribution network, and knowledge of the business. A chief in India for over a century, Hindustan Lever Ltd. is a completely possessed attachment of the Anglo- Dutch company Unilever. Hindustan Lever was the company that popularized the idea of dealing its goods in little programs numerous times ago. Particularly popular in pastoral India are its soap and soap sachets. One of the most talked about cases of effective pastoral advertising is Britannia's Tiger brand eye-fuls.

Aitha, K Rajesh (2004),

Suggested that requests are an important and growing request for utmost products and services including telecom. The characteristics of the request in terms of low and spread out population and limited purchasing power make it a delicate request to capture. The Bottom of the aggregate marketing strategies and the 4 A's model of Vacuity, Affordability, Adequacy and mindfulness give us with a means of developing applicable strategies to attack the marketing issues for marketing telecom services in pastoral areas. Successful cases like the German Phone in Bangladesh and Smart Dispatches Inc in Philippines also give us with some guidelines to diving the issue. As per my concern of the exploration, it's a detail study of different FMCG products used by consumers. It'll give detail information about consumer preferences towards a good number of FMCG products which is too unique and different from those above inquiries.

Research design and methodology

Sample unit:

1. Working people (including men & women)
2. College students
3. School students
4. Senior citizens

Sample size: 100

Sampling region:

1. The researcher has selected GREATER NOIDA, Uttar Pradesh as his area of study.
2. He has chosen Knowledge park –II & III, Alpha –I & II, and Gamma- I, as his areas of research. In these areas he can easily meet working people (both male & female), school students, college students & senior citizens.

6(A)

Area	Population
Greater Noida	1,07,676

Source: Greater Noida Development Authority

Note: There searcher took this area because this area has various schools & institutes.

Sampling procedure:

The researcher will take **convenience sampling** as the sampling procedure.

Data collection method:

1. Primary data:

It will be collected with the help of a Self administered questionnaire. This questionnaire aims to get his information related to various Branded products.

2. Secondary data:

It will be collected with the help of books, research papers, magazines, newspapers, journals, internet, et

Research instruments

Questionnaire design:

The survey's self-guided nature allows for its simplification and friendliness to a wide range of users. Words used in questionnaire are readily understandable to all respondent. To further guarantee that responders are not confused, technical language is also avoided.

Panoramic View

India has both a population of over a billion and four distinct climate regions. The Indian consumer market is diverse due to the country's many religions, 15 official languages, and wide range of cultural practises and culinary preferences. India is also culturally distinct from the other Asian nations. Consequently, India's demand is very differentiated, and Indian businesses have ample chances to serve a wide range of customer demographics. Marketers of consumer products have found that operating in India is similar to managing a number of smaller markets simultaneously.

By 2010, the Indian consumer products sector might be worth \$400 billion. India has the youngest population of any major country. India is home to a large and diverse youth population from a variety of economic origins. Marketers of consumer products often struggle with deciding which customer subset to focus on.

Rapid urbanization, rising demand, the existence of a large youth population, and other factors mean that this is not a problem in India. The consumer business potential in the Indian market is growing and shifting at an unprecedented rate.

With over a billion people, India represents a big opportunity for fast moving consumer goods producers. Roughly 70% of India's total household population calls the countryside home. By 2010, the world's greatest potential market of 135 million rural households is projected to grow to 153 million.

Rural and urban potential

	Urban	Rural
Population 2014-15 (m household)	53	135
Population 2015-16 (m household)	69	153
% Distribution (2014-15)	28	72
Market (Towns/Villages)	3,768	627,000

Source: Statistical Outline of India (2015-16), NCAER

Indian consumer class can be classified according to the following criteria:

1.Income

2.Socio-Economic

status

3.Agedemographics

4.Geographical dispersion

1) Income based classification -

India has a population of 1.095 billion people, comprising of 1/6th of the world population. India's population can be divided into 5 groups on the basis of annual household income. These groups are:

1. High income

2. Upper middle income
3. Middle middle income
4. Lower middle income
5. Lower income

The income classification does not represent a real scenario for an international business because the purchasing power of currencies differs significantly. The real purchasing power of Indian rupee is high is than the international exchange value.

In addition to that, income classification is not an effective tool to ascertain consumption and ownership trends in the economy.

Consumer Classification

According to National Council of Applied Economic Research (NCAER) these are 5 consumer classes that differ in their ownership patterns and consumption behavior across various segments of goods.

The 5 classes of consumer households (consumer classification) show the economic development across the country based on consumption trends.

2) Socio economic classification

The major breadwinner (the one who is responsible for shouldering the bulk of the financial burden) in Indian households may be further classified into subgroups depending on his or her occupation and level of education. Socio-Economic Classification (SEC) is a tool used by market researchers and product developers to identify potential customers. The evolution of SEC is based on the consumption behaviors of individual households.

3) Age demographics

India seems immature when compared to more developed and ancient countries. There are more people under the age of 25 than there are above the age of 25. Almost two-thirds of the population is younger than 35.

Because of the increasing number of young people in the population, marketers attribute the rise in consumer expenditure and entertainment spending on them. The repercussions will be felt across the consumer products sector. It is also envisaged that this would result in the launch of innovative businesses and the maintenance of current levels of financial investment in the economy. Businesses may take advantage of the increased buying power by creating new products and services. Much of the budget in developing countries goes towards providing the basics like food and water.

And last, the spread across the galaxy Different Indian states have benefited in varying degrees from the expansion of commercial and industrial activity and agricultural production. The economically depressed regions of each state are sorted according to their market potential. The top 150 (category A) districts in India represent 78% of

the country's market potential, while the next 150 (category B) districts represent 15%. The nation as a whole is ahead of the remaining 200 districts (category C). Category C encompasses forty percent of the nation's districts.

FINDINGS AND SUGGESTIONS

The researcher would like to suggest the following points, so that the organizations can easily sell their products to their consumers:

- As the study is completely on Rural market areas, people prefer the products those having comparatively less price than other FMCG products currently available.
- Again size of product also matters. It is observed from the study that People concentrate on purchasing small packs rather than opting for large products with heavy discount.
- Most of the customers are buying products from retail store or convenient store rather than mall and Walmart
- Customers are focusing on trusted brand rather than new brands.
 - Some of the products are customers buying frequently due to need, desire and want .

RECOMMENDATIONS AND CONCLUSION

From this research, it is apparent that HUL controls a substantial portion of the FMCG market. Soaps, detergents, shampoos, and moisturizer made with it have a near monopoly on the industry. HUL's products are always popular sellers because of their flexible sizing options. They account for the fact that individuals living in rural regions often have less money to spend on luxuries like these. Therefore, most consumers choose to buy in moderate amounts. However, only a few of consumers from rich backgrounds consistently buy large quantities.

TATA is a significant shareholder in TEA. When it comes to coffee, NESTLE and NESCAFE have a commanding market share. TATA's history and strong brand equity have earned the corporation a devoted customer base in rural regions. Because consumers are so adamant about sticking to their own tastes, they do form brand loyalties in this sector of the market. That's why consumers tend to stick with the same brand over time. These businesses provide miniature, standard, and jumbo versions of their products to accommodate the wide range of consumer spending capacities.

BRITANNIA, like BISCUITS, is a worldwide phenomenon. BRITANNIA's durability and strong brand equity have made it particularly attractive to consumers in rural regions. Customers' hesitation to try different tastes has contributed to the existence of brand loyalty towards BISCUITS. That's why consumers tend to stick with the same brand over time. These businesses provide miniature, standard, and jumbo versions of their products to accommodate the wide range of consumer spending capacities.

The market share of COLGATE PALMOLIVE's TOOTH PASTE is considerable. Because of how seriously they take their health, consumers stick with brands they believe in if they find those brands to be beneficial. Customers in outlying locations may still get their hands on this product even if they don't have a lot of money since it's available in a variety of package sizes.