A COMPARATIVE STUDY OF CONSUMER BUYING BEHAVIOUR TOWARDS FAST MOVING CONSUMER GOODS: WITH SPECIAL REFERENCE TO HUL AND ITC LIMITED

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Abstract: In Indian economy, FMCG sector is fourth largest sector in Indian economy. More than 10 million people employing in FMCG sector and nearly contribute to 10 percent in a country GDP. The consumer buying behaviour plays a vital role in promoting FMCG goods but the behaviour of consumer is also very dynamic. So it is very difficult to know about the behaviour of consumer. The motive of this paper is to study the behaviour of consumer towards FMCG products with the help of comparative analysis of two brands Hindustan Unilever Limited (HUL) and ITC Limited. The analysis is done on the basis of primary and secondary data. Primary data was collected with the help of questionnaire; convenience sampling methods is used to collect data. The results are interpreted on the basis of 100 respondents. The paper reveals the behaviour of consumer towards two specific brands.

Keywords: Fast Moving Consumer Goods (FMCG), Consumer Behaviour, Hindustan Unilever Limited (HUL), ITC Limited.

Introduction

According to Stakkworth (2008), consumer buying behaviour is a group of activities which involves the purchase and service which resulted from the customer's emotional and mental needs and behavioural response. Consumer buying behaviour is a process which is used by consumer before purchasing or consuming any product. The study of consumer behaviour is very crucial and the nature of consumer is also very dynamic. Consumer also influenced by many factors like psychological, social, cultural, personal and economic factors, by analyzing the behaviour of consumer, marketers able to decide about the marketing strategy and the way of presenting the product to the consumer.

Factors influencing consumer buying behaviour:-

(1).Psychological Factors – It includes motivation, perception, learning, attitude, beliefs, social and mental condition.

(2).Social Factors- it includes family, reference groups and roles & status.

(3).Cultural Factors-it includes culture, subculture, and social class.

(4).Personal Factors-it includes age, income, occupation, and lifestyle.

(5).Economic Factors- it includes personal income, family income, income expectation, consumer credits and savings.

<u>Fast Moving Consumer Good</u>

FMCG sector is the fourth largest sector of the Indian economy. This sector contributes high profit in country GDP. FMCG good is a non-durable and have a high demand and easily affordable by anyone. The price of FMCG good is relatively very low. FMCG good fulfill the daily need of the consumer. Some of the examples are toiletries soap, cream, packed food etc.

FMCG good are divided into 4 categories:

- <u>Food & Beverage</u> - Packed food like bread, noodles etc. and beverage like cold drink, bottled water etc.

- <u>Personal Care</u> – Shampoo, cream, oil etc.

- <u>Healthcare Goods</u> – Plaster, bandages etc.

- <u>Home Care Commodities</u> – Kitchen towel, toilet paper, bleach etc.

(*What Is FMCG? Its Characteristics and Type.*, n.d.).

Hindustan Unilever Limited

HUL is one of the India's largest FMCG sectors of the country. The company is British-owned Indian Consumer Goods Company. The headquarter of company is located in Mumbai. HUL include different FMCG Products like food, beverages, cleaning agents, personal care products, water purifier and other FMCG. HUL was established in 1931 as Hindustan Vanaspati Manufacturing Company following the merger of constituent group in 1956. It was renamed as Hindustan Lever Limited. The company renamed again in June 2007 as Hindustan Unilever Limited. In 2007, Hindustan Unilever was related as the most respected company in India for the past 25 years by business world, one of India's leading business magazines. HUL added Rs. 8000 crore to their turnover taking it to Rs.58158 crore in financial year 2023. Through their efficient capital utilization HUL continue to yield a very healthy return on capital employed of over 100% and generated more than Rs.12500 crores cash from operation. In today's world every single household use FMCG products in their daily life. Some of their example is shampoo, detergent powder, toothpaste, cream etc. (*HUL*, n.d.).

ITC Limited

ITC was established on August 24, 1910 as the Imperial Tobacco Company Of India Ltd. And its name changed to Indian Tobacco Company Limited in 1970 and later to I.T.C Limited in 1974. But now the company renamed as ITC Limited and there is no any full form of ITC. The headquarter of ITC is Kolkata. ITC is one of the India's top private sector companies with gross revenue of Rs.69481 criers and net profit of Rs.18753.31 crores as on 31st March, 2023. ITC has diversified presence in FMCG, Hotels, Packaging, Paperboards & specially paper and Agri-business. ITC is one of the largest marketers of FMCG products. Some of the FMCG products are Foods, Personal Care, Education and Stationary, Safety Matches, Agarbatties & Dhoop.

Literature Review

Vibhuti, Tyagi and Pandey (2019) aim of this paper is that researcher wants to know about the concept of FMCG product and find some scope of FMCG product in India. They also analyze the factor affecting consumer behaviour and suggest strategies for effective marketing of FMCG product. Data for study has been collected with the help of questionnaire and presented in a theoretical way. Researcher suggested that some innovative factor like technology is used to make FMCG products.

Bharti (2019) the main of this paper is to know about the factors which influence the consumer behaviour and to find strategies for the marketing of FMCG products. Researcher analyse how consumer select the goods for their purchasing. They use descriptive research with the help of secondary data for their research. They reveal that to become a successful marketer, it is necessary to study consumer behaviour.

Chakraborty and Mukherjee (2020) this paper focuses on demographic variables and analyses customer satisfaction towards brands of selected FMCG products. Researcher use different factors for their study like

service quality, product quality, financial benefit and perceived value. They use descriptive research with the help of primary data and use regression method for their study. They reveal that influence of all the factors on customer satisfaction is very high except financial benefit.

Latheera and Rajangam (2020) in this study researcher selected a specific town for study, they want to analyze the factor which influence selecting brand of FMCG products and want to know consumer knowledge for the brand of FMCG products. They use convenience sampling methods to collect primary data and also secondary data for their study. They reveal that consumer know about brand of FMCG product. Consumer wants good quality products over the cost.

Objectives of the Study

- To study about the consumer behaviour towards FMCG products.
- To do the comparative study of consumer buying behaviour towards FMCG product with the help of two esteem brands- HUL & ITC.
- To know about the how frequently consumer purchase both brands of FMCG products.

Research Methodology

Types of Data - For the study, primary and secondary data are used.

Sampling Method – primary data was collected with the help of questionnaire. A goggle form is   prepared with close ended question to collect data from respondents. Secondary data is collected with the help of portal of HUL & ITC Limited.

Sampling Method – Non-probability convenience sampling was used to collect the data from respondents to collect samples for study.

Sample Size – The sample size of the study is large sample containing 100 respondents.

Scope of the study - Some of the brand selected from HUL & ITC for the study as shown in Table 1.

Table1

Products of HUL and ITC

Product Name	HUL	ITC
Soap	Pears	Savlon
Cream	Ponds	Charmis
Coffee	Bru	Sunbean Beaten Coffee

| Deodorant | Axe | Inizio Aqua |
| Dish wash cleaner | Vim | Neameasy Gel |

Data Analysis

All the data are study on the basis of results which are given in the form of table, pie-chart and graphs.

Table 2

Classification on the basis of gender

Gender	Respondents	Percentage
Male	44	44%
Female	56	56%
Others	0	0
Total	100	100

Table 2 explains about the gender. There are 44 male and 56 female out of 100 respondents. The table shows the percentage of male and female.

Figure 1

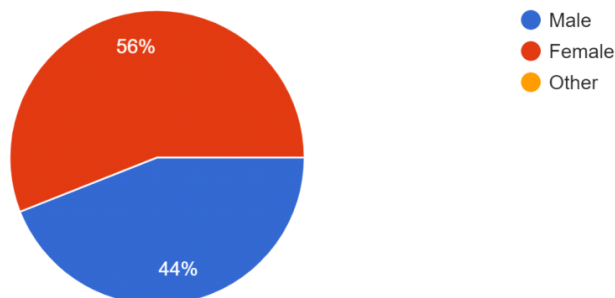*Classification on the basis of gender*

Gender
100 responses

Table3.

Classification on the basis of age

Age	No of Respondents	Percentage
Below 20 years	09	09%
20 to 30 years	79	79%
30 to 50 years	11	11%
50 & Above	01	01%
Total	100	100

Table 3 explains about the age of the respondents in which respondents between the age of 20 to 30 years is high and age group above 50 is low. The table shows the percentage of age group of respondents.

Figure 2

Classification on the basis of Age

Age
100 responses
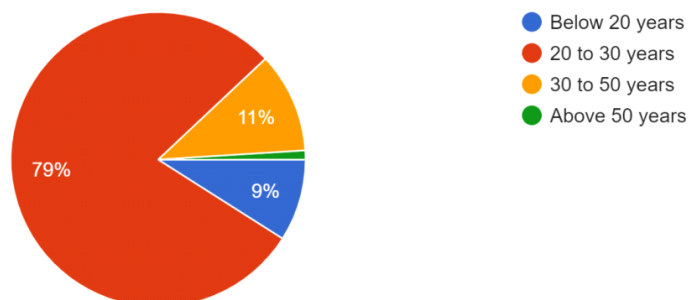
Table4.

Classification on the basis of Education

Education Qualification	No of Respondents
Under Graduate	07
Graduate	26
Post Graduate	56
Doctorate	09
Others	02
Total	100

Table 4 shows the classification of the respondents based on their educational qualification. Highest number of respondents qualified post graduate and lowest are of other group.

Figure3.

Classification on the basis of education qualification
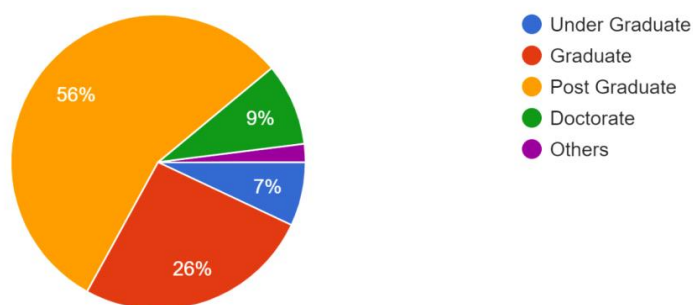

Education Qualification
100 responses

- Under Graduate
- Graduate
- Post Graduate
- Doctorate
- Others

Table5.

Classification on the basis of Occupation

Occupation	No Of Respondents
Farmer	01
Businessman	03
Professional	08
Student	73
Salaried Person	08
Other	07
Total	100

Table 5 shows the classification of respondents based on their occupation. Most of the respondents are students and very less no of respondents are farmer.

Figure4.

Classification on the basis of occupation

Occupation
100 responses

- Farmer
- Businessman
- Professional
- Student
- Salaried Person
- Other
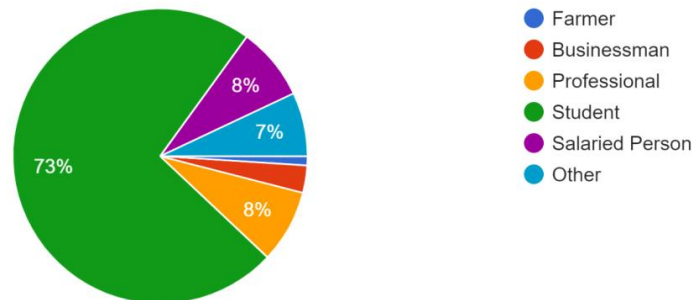
Table6.

Classification on the basis of Monthly Income

Monthly Income	No Of Respondents
Below Rs.10000	60
Rs.10000 to Rs.25000	11
Rs.25000 to Rs.50000	21
Rs.50000 to Rs.75000	03
Rs.75000 & Above	05
Total	100

Table 6 shows the classification of monthly income of respondents. Most of the respondents are below the group of income of Rs.10000.

Figure5.

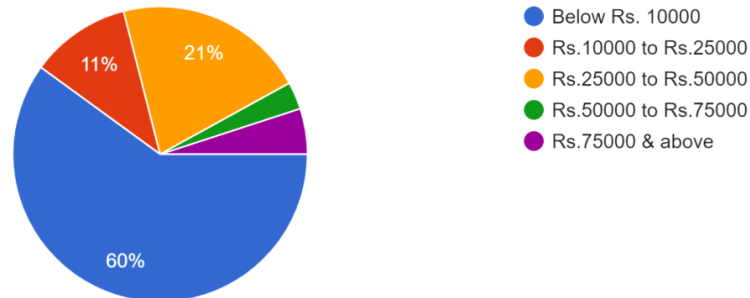*Classification on the basis of Monthly Income*

Monthly Income
100 responses

- Below Rs. 10000
- Rs.10000 to Rs.25000
- Rs.25000 to Rs.50000
- Rs.50000 to Rs.75000
- Rs.75000 & above

Table7.

Classification on the basis of awareness of FMCG Products

Awareness	No Of Respondents
Yes	84
No	16
Total	100

Table 7 shows the awareness level of respondents towards FMCG products. Most of the respondents are knows about FMCG products.

Figure6.

Awareness of FMCG Products

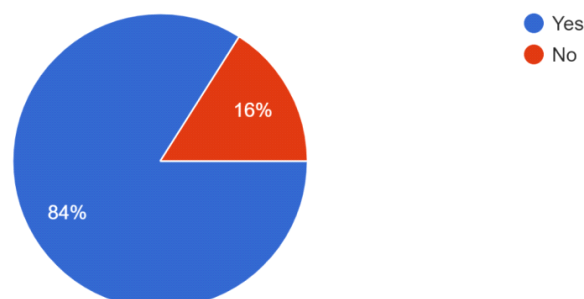Do you aware about the FMCG goods ?
100 responses

- Yes
- No

Table8.

Brand preferred by consumer more to purchase

Brand	No Of Respondents
HUL	15
ITC	15
Both	70
Total	100

Table 8 shows the brand preferred by consumer. Most of the responder choose both brands to purchase.

Figure7.

Brand preferred by consumer

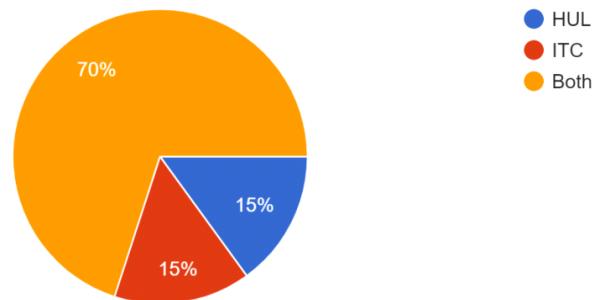Which company brand do you prefer more to purchase ?
100 responses

Table9.

Rate of purchase of product of both brands

	HUL	ITC
Most Frequently	28	21
Frequently	52	52
Never	03	10
Rarely	14	13
Very Rarely	02	03

Table 9 shows the rate of purchase of product of both brands. Most of the respondents frequently buy the products of HUL and ITC.

Figure8.

Product purchase rate of both brands
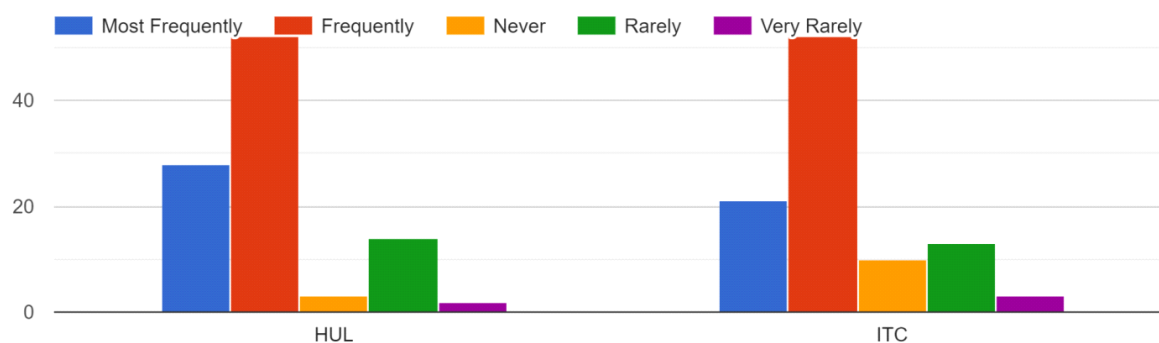
How would you purchase the product of both brands ?
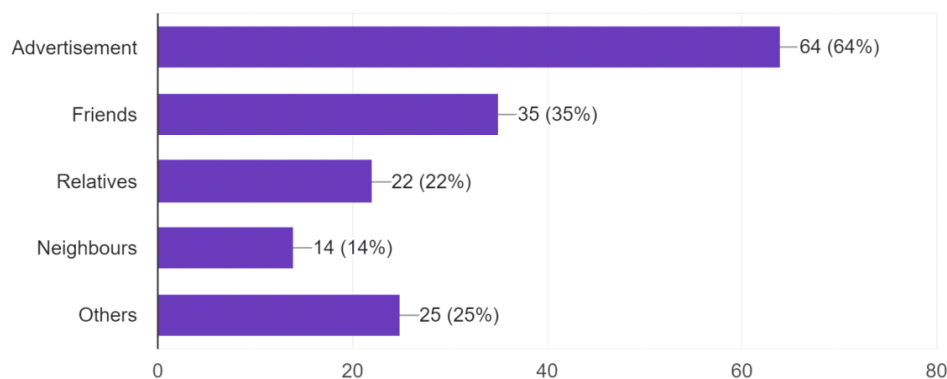

Table10.

Sources of awareness of FMCG products

Sources	No Of Respondents	Percentage
Advertisement	64	64%
Friends	35	35%
Relatives	22	22%
Neighbours	14	14%
Others	25	25%

Table 10 shows the sources of awareness of FMCG products. Most of the respondents knows about the FMCG products from advertisements and lowest no of respondents are knows from neighbours

Figure9.

Sources of awareness of both Brands

Sources of awareness about fmcg products Of HUL & ITC ?
100 responses

Source	Count
Advertisement	64 (64%)
Friends	35 (35%)
Relatives	22 (22%)
Neighbours	14 (14%)
Others	25 (25%)

Table11.

Brand rating on the basis of their quality

Product		Very Poor	Poor	Average	Good	Very Good
Soap	Pears (HUL)	06	06	21	41	26
	Savlon (ITC)	01	08	29	44	18
Cream	Ponds (HUL)	06	07	29	42	16
	Charmis (ITC)	05	09	43	33	10
Coffee	Bru (HUL)	04	10	22	35	29
	Sunbean beaten coffee (ITC)	04	14	27	42	13
Deodorants	AXE (HUL)	03	08	22	48	19
	Inizio Aqua (ITC)	05	11	29	46	09
Dish Wash Cleaner	VIM (HUL)	02	05	25	35	33
	Neameasy Gel (ITC)	05	13	23	47	12

Table 11 shows the rating of brands on the basis of quality. Most of the respondents give rating good for both brands.

Figure10.

Quality rating of both brands

How would you rate these brand based on its quality?   [Indicate your response on a rating scale of 1 to 5 , where (1) very Poor, (2) Poor , (3) Average , (4) Good , (5) Very Good]
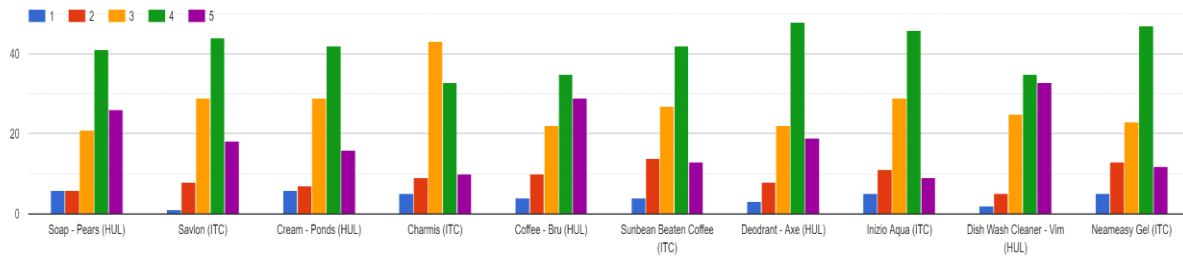
Table12.

Economical brand for consumer

Brand	No Of Respondents
HUL	26
ITC	18
Both	56

Table 12 shows which brand is economical for the respondents. Most of the respondents select both options for the economical brand.

Figure11.

Brand which is economical for consumer
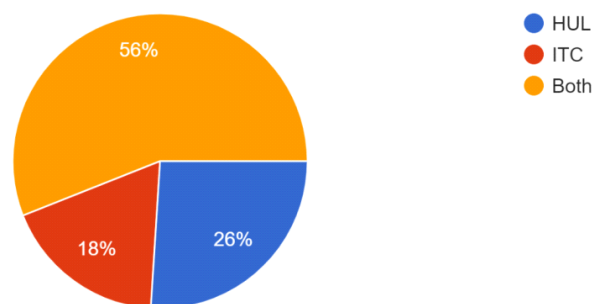

Which brand do you find economical?
100 responses

Table13.

Brand rating on the basis of cost

Product		Highly expensive	Expensive	Average	Less expensive	Very less expensive
Soap	Pears (HUL)	07	26	38	23	06
	Savlon (ITC)	04	13	42	33	08
Cream	Ponds (HUL)	06	22	35	26	11
	Charmis (ITC)	07	19	40	28	06
Coffee	Bru (HUL)	09	14	36	27	14
	Sunbean beaten coffee (ITC)	08	15	40	26	11
Deodorants	AXE (HUL)	05	24	30	30	11
	Inizio Aqua (ITC)	06	23	41	26	04
Dish Wash Cleaner	VIM (HUL)	07	12	37	27	17
	Neameasy Gel (ITC)	03	18	39	31	09

Table 13 shows rating of brand of both products on the basis of cost. Most of the respondents give rating average for the products of both brands.

Figure12.

Rating of brand on the basis of cost

How would you rate these brand based on the cost? [Indicate your response on a rating scale of 1 to 5 , where (1) Highly Expensive, (2) Expensive , (3) Average , (4) Less Expensive, (5) Very Less Expensive]
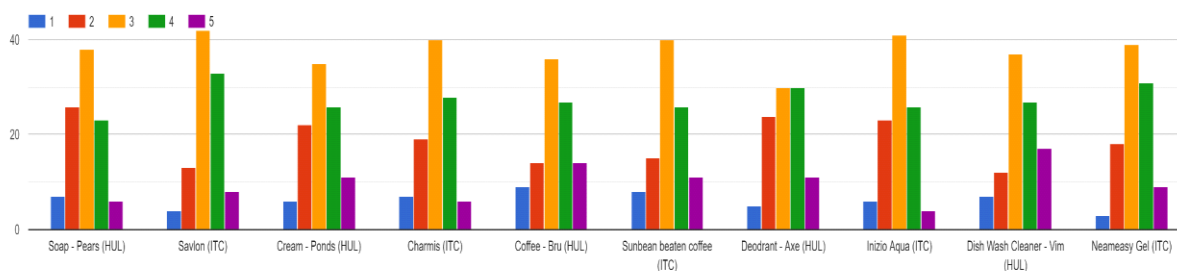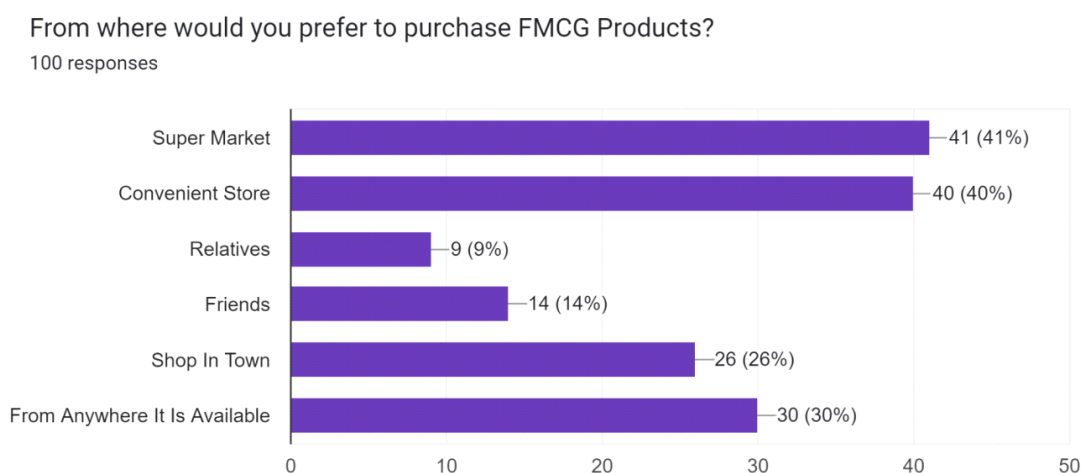
Table14.

Place from where consumer prefer to purchase FMCG Products

Places	No Of Respondents
Super Market	41
Convenient Store	40
Relatives	09
Friends	14
Shop in Town	26
From where it is available	30

Table 14 shows the places from where consumer prefers to purchase FMCG products. Most of the respondents purchase products of both brand from super market and convenient store.

Figure13.

Places of purchasing both brands of FMCG Products

From where would you prefer to purchase FMCG Products?
100 responses

Table15.

Recommendation by consumer to other to purchase FMCG Products

Recommendation	No of Respondents
Yes	83
No	17

Figure14.

Recommendation by consumer to purchase FMCG Products to other

Have you recommended anyone to purchase FMCG Products?
100 responses
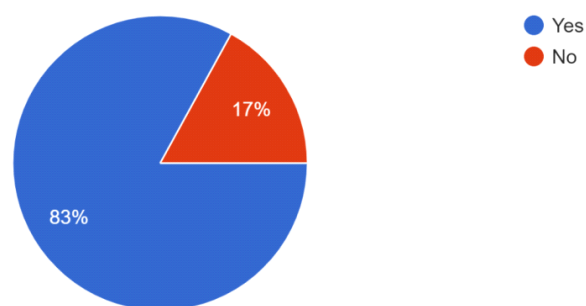
Results and Findings

- Gender – Male 44%

    Female 56%

- Age – large no of respondents are between 20 to 30 years age group.

- Education qualification – large no of respondents are post graduates

- Occupation- majority of the respondents in the sample are students

- Monthly income – large no of respondents have below income 10000

- Awareness of FMCG products – Majority no of respondents know about FMCG products

- Brand preferred by respondents- Large no of respondents are agree for both brand

    – HUL & ITC

- Sources of Awareness- majority of respondents knows about FMCG products of both brands with the help of advertisements.

- Frequency of Purchase of Both Brands- Products of HUL purchased more frequently by respondents over ITC.

- Economical Brand- respondents believe that both of the brands are economical for them

- Places from where consumer prefers to purchase – most of the consumers are purchased from super market.

- Evaluation of products of HUL on the basis of their quality and cost:-

    (a). Pears- majority of respondents give very good for the quality and large no of respondents agree that cost is average.

    (b).Ponds- majority of respondents give rating good for its quality and average for its cost.

    (c).Bru Coffee- majority of respondents give rating good for its quality and average for cost.

    (d).Axe Deodorant- majority of the respondents give rating good for its quality and less expensive for its price.

    (e).Vim Dishwash Gel-majority of respondents give rating good for its quality and average for its price.

- Evaluation of Products of ITC On the basis of quality and cost:-

    (a).Savlon- majority of respondents give good for the quality and large no of respondents agree that cost is average.

    (b).Charmis- majority of respondents give average for the quality and large no of respondents agree that cost is good.

    (c).Sunbean Beaten Coffee- majority of respondents give good for the quality and large   no of respondents agree that cost is average.

    (d).Inizio Aqua- majority of respondents give good for the quality and large no of   respondents agree that cost is average.

    (e)Neameasy Gel- majority of respondents give good for the quality and large no of   respondents agree that cost is average.

Conclusion

The main aim of this study is to focus on the consumer buying behaviour towards FMCG product. This is done with the help of two popular brands HUL & ITC. Consumer use FMCG products in their daily life. So companies also make efforts for them to produce FMCG goods of good quality.

HUL is one of the largest producers of FMCG products in country. HUL added Rs.8000 crores to their turnover and make it Rs.58158 crores in financial year 2023. In recent time, every household uses the product of HUL in their daily life. The product of HUL is also good quality and average cost. ITC Limited is also the popular brands FMCG Product in country with a net profit of 18,753.31 crores in financial year 2023.

Both of the companies are good producer and always make huge efforts to make the products of cheap and best quality.

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