A STUDY ON CONSUMERS' BUYING BEHAVIOUR TOWARDS FMCG PRODUCTS WITH REFERENCE TO DAKSHINA KANNADA DISTRICT

Sonal Steevan Lobo[1], Olwin D Souza[2*]

[1]*Assistant Professor, Department of Business Administration, St Aloysius College (Autonomous), Mangaluru-03*

[*2]*Assistant Professor, Department of PG Economics, St Aloysius College (Autonomous), Mangaluru-03*

Abstract

This research delves into the consumer purchasing patterns of Fast Moving Consumer Goods (FMCG) in Dakshina Kannada District, with a particular focus on the dynamic characteristics of this sector within the Indian economy. The study investigates consumer profiles, brand awareness, and preferences concerning various FMCG products, spanning packaged foods, toiletries, detergents, and electronic goods. Despite the sector's narrow profit margins, the substantial contribution to cumulative profits underscores a business model characterized by low margins and high volumes.

The primary objectives of the research encompass an examination of emotional factors influencing consumer behaviour, regional disparities in purchasing preferences, and the impact of advertising media. Methodologically, the study adopts a Convenience Sampling approach and employs statistical tools such as Frequency tables and the Friedman Rank test for data analysis.

The findings reveal a predominantly male demographic aged 36-45, with 26.4% expressing neutral satisfaction. Television emerges as the principal source of FMCG awareness, and "Toothpaste" emerges as the most preferred FMCG item, significantly influencing consumer choices.

The study concludes by underscoring the significance of comprehending consumer behaviour for effective marketing strategies in the evolving FMCG sector. Future research avenues could explore emotional triggers, socio-economic influences, and the dynamic impact of technological advancements on consumer decision-making.

The abstract is supported by a comprehensive set of references, offering a well-rounded background for the research. Overall, this paper provides valuable insights for both academia and industry stakeholders navigating the intricate landscape of FMCG consumer behaviour.

Keywords: FMCG, consumer behaviour, brand awareness, preferences, Convenience Sampling, emotional influences, regional variations, advertising media, technological advancements, Indian economy.

1. Introduction

Fast Moving Consumer Goods (FMCG) represent everyday products characterized by swift turnover, affordability, and widespread usage. This dynamic sector is a significant force in the Indian economy, encompassing a wide range of items such as packaged foods, toiletries, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuffs, and select electronic goods. Despite their narrow profit margins, FMCG goods, often distributed in large quantities, play a crucial role in the daily lives of consumers. The FMCG industry in India is experiencing rapid expansion, driven by the potential for growth stemming from lower per capita consumption compared to developed nations. Manufacturing is primarily concentrated in the western and southern regions, with emerging hubs in other areas. Termed Consumer Packaged Goods, FMCGs thrive in both urban and rural markets, fueled by the increasing income of the middle-income group. Packaging assumes a critical role in FMCG markets, especially in urban and rural areas, where the rising income of the middle-income group propels significant market growth. Efficient physical distribution relies on primary and secondary packaging for optimal effectiveness. The unit package not only safeguards the product but also communicates information and sparks consumer interest. Despite modest profit margins, the substantial sales volumes of FMCG products contribute to significant cumulative profits, illustrating a business model characterized by low margins and high volumes.

List of Top 10 FMCG Companies in India

1. Hindustan Unilever Limited (HUL)
2. Nestlé India Limited
3. ITC Limited
4. Britannia Industries Limited
5. Dabur India Limited
6. Procter & Gamble Hygiene and Health Care Limited (P&G)
7. Marico Limited
8. Colgate-Palmolive (India) Limited
9. Godrej Consumer Products Limited (GCPL)
10. Emami Limited

1.1 Research Objectives

The study is designed to accomplish the following objectives:

1) Investigate the profile characteristics of Fast-Moving Consumer Goods (FMCG) products.

2) Evaluate the extent of brand awareness among consumers concerning FMCG products.

3) Explore and ascertain the preferences expressed by consumers regarding FMCG products.

2. Review of Literature

Soodan and Pandey's (2016) study, "Influence of Emotions on Consumer Buying Behaviour: A Study on FMCG Purchases in Uttarakhand, India," investigated emotional factors in consumer decisions within the FMCG sector in Uttarakhand. Conducted at H.N.B. Garhwal University, the research used questionnaires from 249 consumers in Dehradun, Haridwar, and Srinagar. Findings highlighted the crucial role of emotions in shaping buying behaviour, emphasizing the need for marketers to target emotional triggers for effective sales. Despite limitations like a small sample size, the study provides valuable insights into the nuanced landscape of consumer emotions, calling for further exploration. It recognizes FMCG's low-margin, high-volume business model, showcasing its significant contribution to cumulative profits.

Shaik Shamshuddin, T. Venkateswarulu, UV Adinarayana, I. Bangaruraju, and SG Ramarao (2020) conducted a comprehensive field survey in North Coastal Andhra Pradesh with 150 respondents from rural and urban areas revealed distinct patterns in FMCG purchasing behaviour. Consumers prioritize health and hygiene, seeking products for prestige, social standing, and low-unit prices. Influential factors include

location, product diversity, brand variety, and access to credit facilities. The study provides valuable insights for FMCG companies in India, aiding a deeper understanding of consumer preferences in the North Coastal Andhra Pradesh region.

Manish Pushkar and Aishwarya Singh Rajput (2023) This study explores how advertising media, including print, digital, and social platforms, affects consumer purchasing behaviour in the FMCG industry. It employs a mixed-methods approach, combining theme analysis and expert interviews, to unveil insights into modern consumer preferences. The research, including a questionnaire, provides a comprehensive understanding of the dynamic relationship between advertising media and consumer decisions in the FMCG sector, considering demographic variables.

3.   Research Methodology

The study specifically delves into the realm of Consumer Attitude Programs concerning Fast-Moving Consumer Goods (FMCG) in the Dakshina Kannada District. Employing a Convenience Sampling method, the research incorporates both primary and secondary data sources to provide a comprehensive understanding of consumer attitudes in the context of FMCG products within the Dakshina Kannada District.

3.1 Data Analysis

The data collected underwent comprehensive statistical analysis, involving extensive calculations. This analysis utilized Frequency tables and the Friedman Rank test to assess consumer preferences for Fast-Moving Consumer Goods (FMCG) products.

Limitations of the Study

The present study is not without its inherent limitations, typical of any research undertaking. These constraints are elucidated as follows:

- Geographical Scope: The study was exclusively conducted in Dakshina Kannada, focusing on only five major areas. Consequently, the extent to which the results and conclusions can be generalized to other regions may be restricted.

- Sectoral Limitation: The scope of the study is limited to branded products within the Fast-Moving Consumer Goods (FMCG) sector, thereby constraining its applicability to other industries or product categories.

- Potential Bias: A potential limitation lies in the existence of bias in respondent perspectives, which could influence the study's findings and interpretations.

- Reliance on Opinions: The study relies solely on the opinions expressed by respondents in the specific areas under consideration, indicating a reliance on subjective viewpoints that may not capture the full spectrum of perspectives.

These limitations should be taken into account when interpreting and generalizing the findings of the study.

4. Analysis and Discussion

PROFILE OF THE RESPONDENTS

Particulars		Frequency	Per cent
	Male	130	**52%**
Gender	Female	120	48%
	Below 25	59	23.60%
	25 – 35	51	20.40%
	36 – 45	66	**26.40%**
Age	46-55	44	17.60%
	Above 55	30	12%
	UG	99	**39.60%**
	PG	44	17.60%
	Diploma	39	15.60%
Educational Qualification	Other Qualification	68	27.20%
	Agriculture sector	15	6%
	Govt sector	30	12%
	Pvt. Sector	110	**44%**
Job Profile	Professionals	50	20%
	Entrepreneurs	45	18%
	TOTAL	**250**	**100%**

Source: Primary Data

SOURCE OF AWARENESS

Particulars		Frequency	Per cent
	Personal Network	31	12.40%
	Television	123	**49.20%**
	Print Media	8	3.20%
Source of Information	Online Platforms	51	20.40%
	Alternative Sources	37	14.80%
	Total	**250**	**100%**

Source: Primary Data

SATISFACTION LEVEL OF THE RESPONDENTS

Overall Satisfaction	Frequency	Per cent
Highly Satisfied	59	23.60%
Satisfied	50	20%
Neutral	66	**26.40%**
Dissatisfied	45	18%
Highly Dissatisfied	30	12%
Total	**250**	**100%**

Source: Primary Data

RESPONDENT'S PREFERENCE OF FMCG PRODUCTS

Sl. No	FMCG Items	Mean Score	Rank
1	Biscuits and Cookies	5.88	9
2	Laundry Detergent	2.53	3
3	Carbonated Drinks	5.22	8
4	Cooking Oil	6.03	10
5	Milk and Dairy Products	4.63	7
6	Toothpaste	**1.54**	**1**
7	Soap	1.91	2
8	Shampoo	2.89	4
9	Snack Foods (Chips, Namkeen)	4.16	6
10	Instant Noodles	3.21	5

Source: Primary Data   ***p<0.01**

INFERENCES

Demographic Overview of Respondents:

•   Gender Distribution: The surveyed population exhibits a predominant male representation, constituting 52% of the sample.

•   Age Distribution: A significant proportion of respondents, approximately 26.4%, fall within the age range of 36-45 years.

•   Educational Attainment: Regarding qualifications, 39.6% of the surveyed individuals identify as undergraduates.

•   Employment: The employment landscape of the respondents reveals that 40% are actively engaged in the private sector.

Source of Awareness:

- Television serves as the primary source of awareness for FMCG products, as indicated by 49.2% of respondents.

Consumer Satisfaction Level:

- Among the surveyed individuals, 26.4% expressed a neutral satisfaction level.

Preferred FMCG Products:

- According to the Friedman Rank Test, "Toothpaste" emerges as the top-ranked FMCG item. Consequently, respondents exhibit a preference for purchasing FMCG items in the following order: 'Toothpaste,' 'Soap,' and 'Laundry Detergent.'

Conclusion

In conclusion, this research focused on analysing consumer buying behaviour regarding Fast-Moving Consumer Goods (FMCG) products in Dakshina Kannada District. The study achieved its objectives by examining product profiles, evaluating brand awareness, and investigating consumer preferences within the Indian FMCG industry. The respondent profile predominantly consisted of males aged 36-45, with 39.6% holding undergraduate degrees and 40% employed in the private sector.

Television emerged as the primary source of FMCG awareness among the respondents. Notably, 26.4% expressed a neutral satisfaction level. "Toothpaste" was identified as the top-preferred FMCG item. These findings underscore the importance of understanding consumer behaviour for devising effective marketing strategies in the evolving FMCG sector. The insights generated by this research have implications for both academic understanding and practical applications within the industry.

Scope for Further Research

Exploring Emotional Triggers in Consumer Choices:

Addressing a current research gap, future studies should delve deeper into the emotional factors that influence consumer purchasing behaviour in the Fast-Moving Consumer Goods (FMCG) sector within Dakshina Kannada District. A more comprehensive understanding of specific emotional triggers and their impact on product preferences could offer nuanced insights for marketers, enabling the development of more resonant and effective advertising strategies.

Analysing Socio-Economic Influences:

While the current research considered demographic factors such as age, gender, and employment, there exists an opportunity to further investigate the socio-economic influences on FMCG purchasing decisions. Research should aim to explore how variables like income levels, educational backgrounds, and occupation types intricately shape consumer choices, contributing to a more holistic comprehension of market dynamics.

Dynamic Impact of Technological Advancements:

Given the swift evolution of technology, future research endeavours should focus on assessing the dynamic impact of technological advancements, particularly in e-commerce and digital marketing, on consumer behaviour in the FMCG sector. Investigating the role of online platforms, artificial intelligence, and contactless transactions can fill existing research gaps, providing valuable insights into the evolving landscape of consumer preferences and purchasing patterns.

References

1.　　Kumar, A., Vohra, A., & Dangi, H. (2016). Consumer decision-making styles and post-purchase behaviour of poor for fast-moving consumer goods. International Journal of Consumer Studies, 41(2), 121-137. https://doi.org/10.1111/ijcs.12320

2.　　Karthik, T. and Prasad, T. (2020). Swot (strength, weakness, opportunities and threats) analysis of fast-moving consumer goods (FMCG) industries in India. Comfin Research, 8(1), 92-100. https://doi.org/10.34293/commerce.v8i1.3523

3.　　Bednarz, J. and Orelly, P. (2020). The importance of social media on the FMCG market in Bangladesh. International Journal of Management and Economics, 56(3), 230-242. https://doi.org/10.2478/ijme-2020-0019

4.　　Guru, S., Verma, S., Baheti, P., & Dagar, V. (2023). Assessing the feasibility of the hyperlocal delivery model as an effective distribution channel. Management Decision, 61(6), 1634-1655. https://doi.org/10.1108/md-03-2022-0407

5.　　Verma, S. and Rojhe, K. (2022). Consumer behaviour of rural shoppers towards nominated FMCG products in Himachal Pradesh, India. International Journal of Health Sciences, 6735-6751. https://doi.org/10.53730/ijhs.v6ns5.11513

6.　　Kumar, A., Vohra, A., & Dangi, H. (2016). Consumer decision-making styles and post-purchase behaviour of poor for fast-moving consumer goods. International Journal of Consumer Studies, 41(2), 121-137. https://doi.org/10.1111/ijcs.12320

7.　　Kaur, G. and Dhiman, B. (2019). Agricultural commodities and FMCG stock prices in India: evidence from the hardbound test and the Toda and Yamamoto causality analysis. Global Business Review, 22(5), 1190-1201. https://doi.org/10.1177/0972150919830803

8.　　Muranko, Z., Tassell, C., Laan, A., & Aurisicchio, M. (2021). Characterisation and environmental value proposition of reuse models for fast-moving consumer goods: reusable packaging and products. Sustainability, 13(5), 2609. https://doi.org/10.3390/su13052609

9.　　Verma, S. and Rojhe, K. (2022). Consumer behaviour of rural shoppers towards nominated FMCG products in Himachal Pradesh, India. International Journal of Health Sciences, 6735-6751. https://doi.org/10.53730/ijhs.v6ns5.11513