An Exclusive Study on Purchase Behaviour of Urban Consumers Towards Selected FMCG in Salem District With Special Reference To Personal Care Products

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1. Introduction and Design of The Study

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods. FMCG products are those that get replaced within a year. Fast Moving Consumer Goods (FMCG), also known as Consumer Packaged Goods (CPG), though the absolute profit made on FMCG products is relatively small, they generally sell in large numbers and so the cumulative profit on such products can be large. Examples of FMCG generally include foods and beverages, personal care products, household care products and fast moving consumer electronics.

2. Scope of FMCG

The study focused on urban consumers, to analyze the purchase behavior of the consumers towards selected FMCG products exclusive with personal care products. The research has been undertaken to analyze the inducing factor for purchasing the product, the satisfactional level about the usage of the products, to know the opinion of recommending to other consumers, by the help of advertisement the consumers are well aware of the FMCG companies and their product which creates impact on the purchase behavior of the urban consumers and also the difficulties which are faced by the consumers at the time of purchase.

3. Need of the Study

India occupies second place in population so the level of consumption of products is more, especially Personal care products, hence because of this the FMCG companies are utilizing this opportunities to produce and sell their products in large volume. Due to heavy competition all the FMCG companies have the responsibility to innovate new products for sustain their markets to retain their customers and also to attract new consumers.

4. Importance of the Study

The urban consumers are less when compared to the rural consumers but the rate of consumption and the level of purchase behavior are higher than the rural consumers because urban consumers are well aware of the product information and income level. At the same time they are able to analyze the position of the existing product prevailing in
the market and even they are giving the entry pass for the latest products with their brands. The purchase behaviors of the urban consumers are the stepping way of the purchase behavior of the rural consumers.

5. Statement of the Problem

Now a day’s many varieties of personal care products are available in the market but the users are not in a position to identify and select a particular brand. All FMCG companies undertake various strategies to deliver their product information to the consumers through internal and external sources. In spite of this only some of the sources induce them to buy those products. In the mean time, the level of income and size of the family also affects the purchase behavior of the consumers which determines their standard of living.

The consumers have to consider various factors such as brand image, price, quality, user suggestion, taste and flavour etc. which influences the decision before buying the consumer goods. The researcher has made an attempt to study the level of satisfaction about the usage of their products and to know the opinion of recommending it to other consumers. Finally, the study focus on the impact of advertisement which affects the purchase behavior and what are all the problems faced by the consumers while purchasing the product.

6. Objectives of the Study

[1] To review the market potential of FMCG.
[2] To analyses the purchase behavior of urban consumers towards FMCG with special reference to Personal care products.
[3] To identify the factors influencing the purchase behaviour of urban consumers by FMCG.
[4] To know how the FMCG changes the standard of living of urban consumers.
[5] To offer suitable suggestions to the companies dealing with FMCG.

7. Uniqueness of the Present Study

Many reviews are mostly given general information and no specific study is conducted in relation to purchase behavior of the urban consumers. Purchase behavior and customer satisfaction on rural markets has so far been made by various research scholars.

The present study also highlights the most important tools such as motivational factors, customer’s satisfaction, opinion of recommendation, impact of advertisement and the difficulties faced by the consumers are also identified.

8. Methodology

- **Research Design** - The tools used for collecting primary data are interview schedule.
- **Collection Of Data** - The data required for this study was collected from primary data collected from the urban consumers who are located in Salem District.
- **Sampling Design** - Convenient sampling method was adopted. The survey was conducted among 500 respondents in Salem District.
- **Statistical Tools** - The following statistical tools used for the study Descriptive statistics, Chi-square test, Garrett Rank technique, Weighted average and Anova, Multiple regression, Discriminant function and inter-correlation & path co-efficient analysis.
9. Limitations of the Study

[1] The study is confined to Salem District only.
[2] The attitude of consumers may change frequently, hence the result arrived would be varying.
[3] The study is mainly focused on urban consumers only and the rural consumers are outside the purview.
[4] The study is focused only on Personal care products. The foods & beverages and household care products are exhausted.

10. Review of Literature

The region of Punjab and Chandigarh does not show the type of differences in consumer behaviour that are normally expected in a rural and urban market comparison in India. In fact, the rural market shows more similarities than differences with the urban market. Many of these similarities are in those aspects about which earlier writers had found great differences, e.g. frequency of purchase, type of distribution outlet patronized, brand loyalty, exposure to advertisements, to name a few. No stark differences in consumer behaviour were found on comparing the rural market with the urban market. The distinctive features of this region, including its prosperity and well connectedness may be responsible for these findings. The findings of this study have a bearing on the marketing strategy that should be designed for geographic region1.

The study throws light on the attitudes, values and beliefs and perception of the consumers with regard to the consumption of fast moving consumer goods, to study the brand preference of FMCG, the preference and opinion of the consumers towards popular brand have been taken into consideration. The respondents have been classified into three categories namely those holding high level, medium level and low level of opinion. The relationships between the level of satisfaction of the respondents and the independent variables have been analyses by means of chi-square test. The study found that the quality is the major driver to prefer a particular brand of FMCG. If the marketers target the consumers with high quality goods at affordable price, certainly they will succeed in their business2.

The fast moving consumer goods (FMCG) market has emerged as one of the most attractive markets in India. (Bijapurkar 2003; Kashyap & Raut, 2006; Sarkar & Pareek, 2013) FMCG products are symbols of speed, adaptability, quality and scale, short lives, high consumer demand, are consumed quickly (Vyas, 2005) and are relatively low priced. These are substituted within a short period of time while being purchased (Smith, 2010). FMCGs include a vast range of consumer products like soaps, cosmetics, toothpaste, shaving products, toiletries, detergents and cleaning products, as well as other non-durables such as paper products, glassware, bulbs, batteries and plastic goods. According to the CII and Nielsen report (2012), the rural FMCG market grew by 15% in 2011 and the FMCG market has become an attractive segment for the marketers3.

The purpose of this study is to examine the consumer preference on personal care products in FMCG sector and to study the factors which influencing them to prefer a particular product of Fast Moving Consumer Goods (FMCG), the taste and preferences of consumer are changed often. Every customer in the market has his/her own brand preferences. Customers will be looking for certain attributes before purchasing the products i.e., FMCG. The brand preference is showing increasing tendency everywhere and Erode city of Tamil Nadu State is not an exception to it. They give much important for personal care products due to it involved mostly in day to day life. Research paper on consumer preference of Fast Moving Consumer Goods in Erode town of Tamil Nadu is taken up4.
Table 1. Analyses Based on the Demographic Profile of the Respondents

<table>
<thead>
<tr>
<th>Source</th>
<th>Factors</th>
<th>No. of Respondents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>368</td>
<td>73.6%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>132</td>
<td>26.4%</td>
</tr>
<tr>
<td>Age</td>
<td>Below 20 years</td>
<td>16</td>
<td>3.2%</td>
</tr>
<tr>
<td></td>
<td>20-40 years</td>
<td>176</td>
<td>35.2%</td>
</tr>
<tr>
<td></td>
<td>41-60 years</td>
<td>298</td>
<td>59.6%</td>
</tr>
<tr>
<td></td>
<td>Above 60 years</td>
<td>10</td>
<td>2%</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>Upto HSC</td>
<td>264</td>
<td>52.8%</td>
</tr>
<tr>
<td></td>
<td>UG</td>
<td>78</td>
<td>15.6%</td>
</tr>
<tr>
<td></td>
<td>PG</td>
<td>60</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Professional</td>
<td>52</td>
<td>10.4%</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>10</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Other Qualifi.</td>
<td>36</td>
<td>7.2%</td>
</tr>
<tr>
<td>Occupation</td>
<td>Business</td>
<td>112</td>
<td>22.4%</td>
</tr>
<tr>
<td></td>
<td>Pvt Employee</td>
<td>108</td>
<td>21.6%</td>
</tr>
<tr>
<td></td>
<td>Govt Employee</td>
<td>72</td>
<td>14.4%</td>
</tr>
<tr>
<td></td>
<td>Professionals</td>
<td>18</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>Other Empt.</td>
<td>134</td>
<td>26.8%</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>28</td>
<td>5.6%</td>
</tr>
<tr>
<td></td>
<td>Home Maker</td>
<td>28</td>
<td>5.6%</td>
</tr>
<tr>
<td>Income Level</td>
<td>Below Rs10000</td>
<td>234</td>
<td>46.8%</td>
</tr>
<tr>
<td></td>
<td>Rs 10-20 (000)</td>
<td>158</td>
<td>31.6%</td>
</tr>
<tr>
<td></td>
<td>Rs 21-30 (000)</td>
<td>58</td>
<td>11.6%</td>
</tr>
<tr>
<td></td>
<td>Above 30 (000)</td>
<td>50</td>
<td>10%</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Un-Married</td>
<td>62</td>
<td>12.4%</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>438</td>
<td>87.6%</td>
</tr>
<tr>
<td>Family Size</td>
<td>Below 4 Mem.</td>
<td>190</td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>4-6 Members</td>
<td>284</td>
<td>56.8%</td>
</tr>
<tr>
<td></td>
<td>6-8 Members</td>
<td>20</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Above 8 Mem.</td>
<td>06</td>
<td>1.2%</td>
</tr>
<tr>
<td>Place of Purchase</td>
<td>Retail shop</td>
<td>164</td>
<td>32.8%</td>
</tr>
<tr>
<td></td>
<td>Wholesale</td>
<td>122</td>
<td>24.4%</td>
</tr>
<tr>
<td></td>
<td>Departmental</td>
<td>186</td>
<td>37.2%</td>
</tr>
<tr>
<td></td>
<td>Other shops</td>
<td>28</td>
<td>5.6%</td>
</tr>
<tr>
<td>Payment</td>
<td>Cash Basis</td>
<td>468</td>
<td>93.6%</td>
</tr>
<tr>
<td></td>
<td>Credit Basis</td>
<td>32</td>
<td>6.4%</td>
</tr>
<tr>
<td>Increase in Std. Living</td>
<td>Yes</td>
<td>408</td>
<td>81.6%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>92</td>
<td>18.4%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>300</td>
<td>60.0%</td>
</tr>
</tbody>
</table>
### Summary of Findings, Suggestions And Conclusion

- Among the respondents, 46.8% of them belong to monthly income group below Rs.10 thousand, followed by 31.6% belong to monthly income group Rs.10-20 thousand and mean satisfaction score ranged between 4.88 and 5.01 and it is on par among income group of respondents.
- As the calculated Chi-square value is non-significant, there is no association between monthly income and overall satisfaction regarding personal care products.
- As the calculated Chi-square value is significant, there is association between marital status group and overall satisfaction.
- The calculated Chi-square value is non-significant and thus there is no association between Size of family group and satisfaction regarding personal care products.
- Among the respondents, 50.4% of them have monthly expense below Rs.3000 for FMCG, followed by 37.6% have between Rs.3000 to 6000 and mean satisfaction score ranged from 4.84 to 5.04 and it is higher for Rs.3000 to 6000 expense group of respondents.
- The mean satisfaction score regarding personal care products ranged between 4.89 to 4.90 and it is on par among gender groups of respondents.
The calculated Chi-square value is non-significant and there is no association between gender and overall satisfaction regarding personal care products among the respondents.

The mean satisfaction score regarding personal care products ranged between 4.67 to 4.97 and it is higher in 40-60 years age group.

The calculated Chi-square value is significant and there is association between age and overall satisfaction regarding personal care products among the respondents.

The mean satisfaction score regarding personal care products ranged between 2.81 to 3.24 and it is on par among education groups of respondents.

The calculated Chi-square value is significant and thus there is association between education group and satisfaction regarding personal care products among the respondents.

The mean satisfaction score regarding personal care products ranged from 4.78 to 5.01 and it is on par among occupation group of respondents.

The calculated Chi-square value is significant and thus there is association between Occupation and Satisfaction regarding personal care products among the respondents.

The mean satisfaction score regarding personal care products ranged between 4.80 to 5.06 and it is on par among monthly income groups of respondents.

The calculated Chi-square value is significant and thus there is association between monthly income and satisfaction regarding personal care products among the respondents.

The mean satisfaction score regarding personal care products ranged between 4.84 to 4.90 and it is on par among gender groups of respondents.

The calculated Chi-square value is non-significant and thus there is no association between marital status and satisfaction regarding personal care products among the respondents.

The mean satisfaction score personal care products ranged between 4.62 to 4.95 and it is higher in 4-6 members group of respondents.

The calculated Chi-square value is significant and thus there is association between size of family and satisfaction regarding personal care products among respondents and mean satisfaction score regarding personal care products ranged between 4.81 to 4.98 and it is on par among Monthly expense for FMCG group of respondents.

The calculated Chi-square value is significant and there is association between Monthly expense for FMCG and satisfaction regarding personal care products among the respondents.

The mean satisfaction score regarding personal care products ranged between 4.70 to 4.99 and it is on par among frequency of purchase group of respondents.

The calculated Chi-square value is significant and thus there is association between frequency of purchase and satisfaction regarding personal care products among respondents.

The mean satisfaction score regarding personal care products ranged between 4.71 to 5.13 and it is higher in monthly expense above Rs.1500 group of respondents.

The calculated Chi-square value is non-significant and thus there is no association between monthly expense and satisfaction regarding personal care products among respondents.

Most of the respondents purchase the FMCG products from Departmental stores.

Majority of the respondents made cash purchase of FMCG products.

Majority of the respondents reported that the purchase of FMCG leads to increase their standard of living.

Most of the respondent sellers suggest buying particular brand due to quality.

Majority of the respondents buys the seller suggested products

Majority of the respondents change the existing brand to latest brand.
Majority of the respondents satisfied with the new brand of products. The mean score for the sources to know about FMCG ranges from 20.07 to 67.33 and the source ‘Media’ has secured higher mean score and stood at top, followed by ‘Family’ has secured next higher mean score and stood at second, ‘Friends’ stood at third.

12. Suggestions

To The FMCG Companies

- FMCG companies need to concentrate more on producing better quality products.
- The poor quality of personal care products directly influences the consumers to change their products from the existing to the latest brand.
- Advertisement plays a major role in informing to the consumers about the products. FMCG companies can make good use of this device to differentiate their products from that of their competitors’.
- Customers’ grievances regarding the product quality, damages, complaints and suggestions should be looked into promptly and quickly. Packaging should be made foolproof to avoid adulteration.

To The Urban Consumers

- While purchasing the Personal care products the consumer should be aware of the quality and consider the suggestion of existing users.
- Urban consumers have more responsibility to encourage the healthy and hygienic products to their society.
- Be aware of duplicate and non-branded products marketed by the local manufacturers.

To The Government

- Government shall take stringent action on adulterated products and also pay more attention on quality control through a separate council and frame a legal provision for FMCG products.
- To The Society
- Public should avoid purchasing the Personal care products which lead to health hazards.

13. Conclusion

Now a day’s FMCG sector is growing at a fast pace due to mass production and consumption of the personal care products. The present scenario of FMCG market is highly competitive to face the challenges through quality products with brand loyalty. The FMCG companies to looks the media is major drive force to enhance the consumers. The future of FMCG market is very stronger, because of various motivational and promotional tools adopted by the FMCG companies to sustain their market. Apart from that every FMCG companies need to meets their valuable consumers through quality products from different varieties. Finally consumers also can enjoy with their suitable products.

14. Scope for Further Study

[1] A study may be conducted on purchase behavior of rural / semi-urban in same district and urban consumers in other districts.

A study may be conducted on Fast Moving Consumer Goods (FMCG) products with special reference to foods and beverages / household care products.

15. Bibliography