A STUDY ON CONSUMER PREFERENCES TOWARDS SELECT FMCG GOODS

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Abstract:

Fast Moving Consumer Goods (FMCG) products are used every day. FMCG goods are available at a reasonable price and are sold faster than any other product. More than half of all consumers spend on FMCG products. FMCG products are an integral part of every consumer's life. The aim of this research work is to study the consumers' attitude towards select FMCG goods. This study would help to explore the consumption patterns, purchasing behaviour and motives for selection of FMCG brands. The insight will help the manufactures to adopt new strategies which would help not only to attract new customers but also to maintain the loyalty of the existing customer. The data for the study has been collected from 100 respondents with the help of questionnaire in select areas of Salcete taluka using convenience sampling method. This study reveals that consumer preferences are largely affected by age, occupation, product, price, availability, promotional offers, quality and brand influence.

Key words: FMCG, Consumer goods, Brand, Income, Consumption.

1. Introduction:

Fast Moving Consumer Goods (FMCG), are goods that move faster from the shelves of the stores, and give quick returns to the producers that too at comparatively low cost. FMCG goods by and large include a broad range of regularly purchased consumer goods. The Indian FMCG sector constitutes the fourth largest sector in the economy with a total market size of US$ 52.75 billion in 2017-18. In this sector there is a strong presence of multinational corporations with a deep-rooted distribution network, powerful competition among the organized and unorganized sectors, compounded by low running cost. India has economic advantage due to its accessibility to key raw materials, lower labour costs, etc. The rapidly increasing Indian population, predominantly the middle class, is the reason behind the rapid growth of the FMCG sector in India.

2. Literature review:

Srivastava and Kumar (2013) found out in their study that the FMCG sector is a very important contributor to India's GDP, and FMCG companies due to saturation and cut-throat competition in urban areas are now shifting their focus towards the rural consumer.

Yuvarani (2013) saw that opening of the Indian economy saw a surge of global brands on Indian soil. However, due to the over saturation of business in the urban sector, companies are now focussing their attention towards the rural sector.

Sulekha and Kiran (2013) argue that due to the increase in the incomes of rural consumers' incomes, companies are now targeting the rural customers who are now interested in improving their lifestyle.

Tauseef, (2011) makes an attempt to analyse the reasons that affect customer impulsive buying behaviour in India.

Kubendran and Vanniarajan (2005) find in their study that changes in food habits in the rural consumers and the need to improve their lifestyle according to urban standards as well as the improvement in incomes are reasons for the growth of sales in FMCG products in rural India.

3. Objectives of the study:

1. To study the socio-economic profile and shopping patterns of consumers.
2. To examine consumer's preference towards various FMCG goods.
3. To study the factors which influence the purchase of select FMCG products by consumers.

4. Scope of the study:

1. The study is restricted to select areas of Salcete taluka (i.e.,Margao, Navelim, Benaulim, Betalbatim and Colva).
2. The FMCG goods chosen for the research are beverages, cosmetics, toiletries, processed foods and electronic items.

5. Limitations of the study:

a) The study is restricted to a limited number of respondents.

b) The study is conducted in five select areas in Salcete taluka and the people who have responded have given their opinion and it may not reflect the opinion of the general public.

6.Methodology:

Primary data was collected by conducting a survey of 100 respondents using convenience sampling method

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from the select areas of Margao, Navelim, Benaulim, Betalbatim and Colva with the help of structured questionnaire. Secondary data was collected from journals, research articles and internet.

7. Data Analysis:

The data collected is from select areas in Salcete taluka, namely Margao, Navelim, Benaulim, Betalbatim and Colva. The sample size used in this study is 100 to understand the various attributes of consumer preferences towards the purchase of FMCG products.

7.1. Analysis of Gender classification

Table 1: Gender classification of Respondents (figures in percentage)

Gender	Percentage of respondents
Male	43
Female	57
Total	100

Source: Field work of author

In Table 1, it can be seen that 43 per cent are males and 57 per cent are females.

7.2.Analysis of Area of residence

Table 2: Area of residence of Respondents (figures in percentage)

Area of residence	Percentage of respondents
Rural	66
Urban	34
Total	100

Source: Field work of author

Table 2 indicates that 66 per cent of the respondents were from rural areas and a total of 34 per cent were from urban areas.

7.3.Analysis of Age group of respondents

Table 3: Age of Respondents (figures in percentage)

Age of respondents	Percentage of respondents
Below 20	14
21-30	26
31-40	47
Above 40	13
Total	100

Source: Field work of author

Table 3 indicates that 14 per cent of the respondents were in the age group of below 20 years, 26 per cent of the respondents were in the age group of 21-30 years, 47 per cent of the respondents were in the age group of 31-40 years and 13 per cent of the respondents were above 40 years. This implies that the respondents in the age group of 31 to 40 years spend more on the purchase of FMCG goods.

7.4.Analysis of Occupational status of respondents

Table 4: Occupational Status of Respondents (figures in percentage)

Occupational Status of respondents	Percentage of respondents
Student	14
Housewife	28
Employed	46
Business	12
Total	100

Source: Field work of autho.

In Table 4, it can be seen that 14 per cent of the respondents were students, 28 per cent were housewives, 46 per cent were employed individuals and 12 per cent were having their own business.

7.5.Analysis of Frequency of purchase of FMCG goods by respondents

Table 5: Frequency of purchase by Respondents (figures in percentage)

FMCG goods	Daily	Weekly	Monthly	Yearly	Total
Beverages	88	12	0	0	100
Cosmetics	0	15	85	0	100
Toiletries	0	21	79	0	100
Processed foods	35	65	0	0	100
Electronic items	0	0	0	100	100

Source: Field work of author

Table 5 indicates the frequency of purchase of FMCG goods by the respondents. With regard to beverages 88 per cent of the respondents purchased it on a daily basis and 12 per cent on a weekly basis. A majority of 85 per cent purchased cosmetics on a monthly basis and 15 per cent purchased on a weekly basis. Toiletries were purchased on a monthly basis by 79 per cent of the respondents and on a weekly basis purchased by 21 per cent of the respondents. Processed foods were purchased on a weekly basis by 65 per cent of the respondents and 35 per cent purchased on a daily basis. Electronic items were purchased on a yearly basis by 100 per cent of the respondents.

7.6.Analysis of Reasons for the influence of purchase of FMCG goods by respondents

Table 6: Reasons for the influence of purchase of FMCG goods (figures in percentage)

FMCG Goods	Price	Brand image	Quality	Promotional offers	Total
Beverages	27	36	25	12	100
Cosmetics	32	41	22	05	100
Toiletries	26	37	29	08	100
Processed foods	31	32	32	05	100
Electronic items	23	24	32	21	100

Source: Field work of author

Table 6 indicates that a large proportion of respondents i.e., 36 percent are influenced by the brand image while making their purchase of beverages, followed by 27 percent on price, 25 percent on quality and only 12 percent on promotional offers.

In the purchase of cosmetics also, consumers consider brand image as the most important reason for purchase i.e., 41 percent followed by price at 32 percent, quality at 22 percent and least importance is given to promotional offers at 5 percent.

With regard to the purchase of toiletries also, the consumers prefer brand image at 37 percent, quality at 29 percent, price at 26 percent and promotional offers at 8 percent.

Brand image (32 percent), quality (32 percent) and price (31 percent) are equally important in the purchase of processed foods.

Quality takes the highest regard in the purchase of electronic items at 32 percent followed by brand image, price and promotional offers at 24, 23, 21 percent respectively.

7.7.Analysis of influence on brand preference

Table 7: Influence on brand preference (figures in percentage)

Influence on brand preference	Percentage of respondents
Family	11
Friends	18
Advertisement	24
Self	47
Total	100

Source: Field work of author

Table 7 indicates the influence of brand preference where by individual's choice has a greater influence of 47 per cent on the purchase of FMCG brand and family has the least influence on brand preference.

7. Conclusion

The rising Indian middle class as well as the rural sector is providing a huge potential for the FMCG sector. The increasing rate of urbanization and increase in rural income make it easy for this sector to grow. The FMCG industry in India is faring well in India in the recent years with consumer food services, soft drinks, household and personal care segments experiencing a tremendous growth with the increasing disposable income and the growing economy. The study found that brand image is one of the major reason for the influence of purchase of FMCG goods, followed by price, quality and promotional offers. Proper planning, innovations, R & D and the use of new marketing strategies and technologies will help to capture the market and earn a greater margin of profit by the FMCG companies.

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