

## AN ANALYSIS OF TEENAGERS PREFERENCE IN SELECTED FMCG (FAST MOVING CONSUMER GOODS)

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### **Abstract**

Rapid growth of globalization in the present time has brought a drastic change in the status of markets. They have now transformed from seller's market to buyer's market. Customer preferences have changed rapidly so companies have kept their focus on identifying the changed needs and behavior of consumers to stay ahead in the race of cut throat competition. Becoming aware of consumer needs and reacting to them with ready solutions has become necessary for growth of any FMCG company in the market. The key to success in this competitive environment has been the agility and awareness of companies towards a more aware and independent consumer. Fast Moving Consumer Goods (FMCG) industry has new challenges to face along with the changing consumer preferences like keeping track with well established distribution networks and beating strong competitive choices. Therefore there is a greater need to quickly identify the changes in consumer buying behavior towards FMCG products and provide desired products to them.

This study examines consumer buying behavior of teenagers in the age group of 17 to 19 years towards FMCG products. The focus of the study is on teenage consumers as they occupy one of the important market segments having potential that can be exploited by companies in growing their consumer base. Findings of this study will help marketers of this industry in understanding behavior of the age group of 17-19 year consumers and will further help them to design suitable marketing strategies and plans to increase sales of FMCG products among Teenagers.

**Keywords – *FMCG, Teenager Buying Behavior, Brand Preference, Brand Awareness***

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## Introduction

Fast moving consumer goods are popular named as Consumer Packaged Goods. Items in this category include all consumerables (other than groceries and pulses) that people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpastes, shaving products, cold drinks, shoe polish, packaged foodstuff, skin care products etc. These items are meant for daily use of frequent consumption and they have a high return. FMCG market is the 4<sup>th</sup> largest sector in India. According to study by Mc. Kinsley global institute, income in India is expected to grow three times over next two decades and India will be 5<sup>th</sup> largest consumer market by 2025 with estimated market size of US \$ 100 billion. The growing potential of this sector was also pointed out by another study in CII national retail-FMCG summit held in June ,2014 at Mumbai where it shared its findings by quoting that “The organized retail sector in the country would grow from the current USD 40 billion to SD 200 billion in the next five-seven year.”

Looking at the immense potential of this field the present study has taken into account some segments of FMCG to analyze the preference of teenagers so that this group of consumers having great potential as consumers can be utilized for growing business strategies: some of these segments are as follows:

- (a) Skin Care Cream
- (b) Shampoo
- (c) Toilet Soap
- (d) Cold Drink
- (e) Hair Oil.

As per a market research firm **Nielsen**, the FMCG industry in India will grow from \$37 billion \$ in 2013 to \$ 49 billion in 2016. For such a growth rate it becomes important to identify areas of expansion so that maximum growth in terms of consumers and profits can be made. This market research firm **Nielsen** also pointed out after a research study was conducted that the category with the maximum reach or penetration or market parlance were shampoos at 79%. Table 1 points out to the changing consumption pattern of FMCG :

Exhibit 1- Table showing the changing consumption pattern of Fast moving consumer goods industry-

FMCG Market (88 Lakh stores in 2014)			
All India (Urban & Rural)		Stores (in Lakhs)	Reach (%)
1 <sup>st</sup>	Shampoo *	69	79
2 <sup>nd</sup>	Biscuits	68	78
3 <sup>rd</sup>	Toilet Soaps*	66	75
4 <sup>th</sup>	Washing Powders	61	70
5 <sup>th</sup>	Hair Oils*	59	68
6 <sup>th</sup>	Salty Snacks	56	64
7 <sup>th</sup>	Toothpastes	55	63
8 <sup>th</sup>	Detergent Bars	52	59
9 <sup>th</sup>	Skin Cream*	47	54
10 <sup>th</sup>	Tooth Brush	47	35

(Source-timesofindia.indiatimes.com/business/india-business/Personal-care-drives-

FMCG-

*Business-on- rural-push/articleshow/45655697.cms \* Products taken in present study for analysis.*

*These 5 products are most preferred Buying option/ products by teenagers.*

Discussing the relative preference of the products, **Shivkumar, chairman and CEO, PepsicoIndia**, commented that distribution of these categories has under gone a dramatic transformation in the last 15 years. FMCG is available in 8.8 million outlets and shampoo is available in 80% of those outlets.

As **Vijay Udasi, executive director, Nielsen India** quotes, “Skin creams have got into the top 10 distribute list.” Data suggests that most of this evolution is due to a lot of un-branded consumption shifting to branded consumption. In future, we will see more un-branded to branded consumption in non-nature categories as hair oils and hair conditioners.”

In this study researchers have considered teenagers as selected segment group because this segment has more potential than other segments. This segment is influenced by various factors like advertisement, discounts, situation etc. and is never going to slow down because of changing life style and awareness related to the products. So companies looking for expansion need to focus on this sector if they want to become big players in the long run.

Analyzing buying behavior of Teenagers **Blackwell, Miniard, Engel (2001)** explained in their research that today's teenagers live in a transforming world with information and technology at an uncertain rate. The teenagers are more conscious about fashion and lifestyle so they adopt new technology sooner than all other age group and also very much influenced by media and word of mouth publicity. In the present time marketers spend excessive amount and time trying to study and estimable varying behavior of teenagers. Blackwell et al. (2001) observed that teenagers learn shopping skills from parents or other guardian while shopping. **Acuff (1997)** also stated in their research that teenagers do not consult with their parents for purchasing soft drinks in 92% of cases. However, teenagers do ask from their parents while purchasing expensive products and branded products before purchasing them. Talking about how consumers become aware about market choices and products, **Sheth, Mittal B&Newman B (1999)** stated that consumer socialization occurs when teenagers learn to make choices among brands, knowledge about products features and functioning of market place. **Mc Neal (1993) and John (1999)** also pointed out in their study that teenagers go through many stages while buying the products or brands and express different behavioral patterns with respect to different products or brands. Though all stages occupy important place in buying behavior but they mentioned that in the last stage (Reflection stage); teenagers pay more attention to the social aspects of being a consumer. Pointing out to various influences on the teenager, **Ward S (1979)** described that there are many factors which enable the teenagers for the socialization such as friends, family members, school, mass media, retailers etc. Finlay is the primary agent of socialization. **Kumar and Singh (2013)** found that role of rural teenagers was found dominant across all decision stages in case of toothpaste and bathing soaps however the male respondents of 16-19 years old played dominant role at information search & evaluation stage and in brand selection at final purchase stage. It was found that influence of teenagers in family buying decisions of toothpaste and bathing soaps increases with increase in their age and family income.

Keeping all this observation in the background the study on this topic was carried out. Considering the relevance of Brand Awareness, Keller (1993), defined it as how a consumer effortlessly memorizes the brand when he is intended for purchase of a brand / product. He explained the brand awareness is directly relation with brand image. Another team of researchers **Franz – Rudolf Esch & Tobias Langner, Bernd, Schmitt (2006)** argued that to evaluate brand awareness, brand recall is a tool by which we can easily measure and predict brand awareness.

Taking into account the case of the Indian Market and especially focusing on the teenage consumer of Rajasthan , It can be said that a huge growth potential is there for all FMCG Companies. Moreover the per capita consumption of all products is almost the lowest in the world. With increasing capital power in the hands of consumers and with more aware mindsets of consumers , more advanced advertising mediums and strategies FMCG sector can witness rapid growth if this potential is exploited with focus.

#### **Objectives of study –**

- (1) To-study brand awareness & brand preferences among teenagers towards selected FMCG products.
- (2) To study the factors affecting brand preferences among teenagers towards selected FMCG products.

#### **Scope of the study –**

FMCG products are substantially used to enhance and protect the health & physical appearance and also the dignity of the people. Sales of FMCG product are increasing in the decade because of increase in income levels, infatuation towards urban culture, good connectivity to nearby cities, beauty awareness among teenagers of rural areas imitating their counterpart in the urban areas, improvement in the sanitary conditions has seen an enhanced usages of FMCG products particularly health & beauty care and food products in Jaipur city.

The study involves teenagers from Jaipur and some nearby cities in Rajasthan and it is believed that the findings of this region are representative of the other parts of the Rajasthan state and various parameters are not much different from what exist in the area of survey.

**Research Methodology-**

A combination of exploratory and descriptive research has been done. The investigators have made an attempt to describe the variables like brand awareness, brands preferences, price, brand image, advertisement, and various promotional tools etc. which make an impact on teenager's buying behavior.

Target population of this thesis research is selected colleges of Jaipur city of Rajasthan state because Jaipur is the capital of Rajasthan state so it is believed that it also represents the other parts of the state. These areas are present and future target market for FMCG companies. Simple random sampling technique is used for this research work. Sample constitutes the teenagers in the age group 17-19 pursuing graduation from different colleges. The questionnaire was administered to 120 respondents out of which 100 valid questionnaires were considered as sample size for research work. Out of total sample (100) the ratio between girls and boys in the sample taken is 70:30. Nearly 74% come from urban area and 26% from rural. And range of pocket money of the teenagers is Rs. 500 to Rs. 2000. Primary data is collected by direct interview, survey method and etc. and secondary data is collected through newspapers, various journals, internet and etc.

The method that will be used in the paper will be of equal distribution where awareness about the brands is equally distributed among all respondents. This will be considered as the hypothesis in this study.

**Findings and Analysis-**

For the research the sample was exposed to a variety of questions related to brand preferences the questionnaire of 50 questions was distributed to the sample and primary data was collected. The following are the findings of this research with respect to brand awareness, preferences & factors of influence directing teenagers towards buying of a product.

**Exhibit 2: Brief Description of product category chosen and \*most preferred brand as per the results after collecting Primary Data**

S.N.	Product Name	Brand Name	*Most Preferred Brand
	Skincare Cream	a) Fair & Lovely b) Garnier c) Ponds d) Nivea e) Fair & Handsome	<b>Fair and Lovely</b>
2.	Shampoo	a) Clinic Plus b) L'Oreal c) Head & Shoulder d) Pantene e) Sunsilk	<b>Head &amp; Shoulder</b>
3.	Toilet Soap	a) Lux b) Lifebuoy c) Dove d) Dettol e) Pears	<b>Dove</b>
4.	Cold Drink	a) Pepsi b) Coca Cola c) Mirinda d) Fanta e) Limca	<b>Coca Cola</b>
5.	Hair Oil	a) DaburAmla b) Hair & Care c) Vatika d) Parashoot e) Shantiamla	<b>Dabur Amla</b>

**Brand Awareness of Teenagers:**

Regarding the awareness to the number of brands three choices were identified for the analysis as

Follows: ( **A - All five Brands , B- any four Brands , C –any three Brands.**). The percentage wise

Results for various products are shown in the **Exhibit -3 :**

**Table showing choices for Skin care creams**

S.No.	Choices	Percentage (%)
1.	A	60
2.	B	30
3.	C	10

**Analysis-**

The data revealed that nearly 60% teenagers were aware of all prevalent skincare creams. One reason can be taken that the teenagers paid more importance to his looks.

**Table showing choices for Shampoos**

S.No.	Choices	Percentage (%)
1.	A	30
2.	B	53
3.	C	20

**Analysis-**

This study suggests that teenagers were aware about reasonable brands as compared to expensive brands.



**Table showing choices for Toilet Soap**

S.N.	Choices	Percentage (%)
1.	A	43
2.	B	39
3.	C	18

**Analysis-**

This study suggests that only 43% teenagers were aware about the all 5 brands of toilet soaps.

**Table showing choices for Cold Drink**

S.N.	Choices	Percentage (%)
1.	A	92
2.	B	6
3.	C	2

**Analysis-**

This study suggests that teenagers were aware of all options of drinks available in market.

**Table showing choices for Hair Oil**

S.N.	Choices	Percentage (%)
1.	A	37
2.	B	52
3.	C	11

**Analysis-** This study revealed that awareness of only popular brands was more among teenagers.

**Exhibit 4: Details about more preferences of different consumers:**

**1. Awareness to taglines of brands-**

S.N.	Awareness to taglines of Brands	Percentage (%)
1.	All 4 brands	33
2.	Any Brands	47
3.	Any 2 Brands	20

**Analysis-** This study revealed that awareness of brand is there but knowledge about it is partial.

Furthermore to test the hypothesis that choices A, B and C will be equally distributed for preference was tested using .....Analysis.

The results of which have been summarized in the Exhibit 6 to Exhibit 10

**Exhibit 5-**

**In case of Skin Care**

Choices	Observed	Expected	
A	60	33	38.39**
B	30	33	
C	10	33	

**\*\* Significant at .01 level with D.F =2**

**Result:** It can be deduced that there is a significant variance in the choice favouring Skin care

Products, hence hypothesis is rejected.

**Exhibit 6-**

**In case of Shampoo**

Choices	Observed	Expected	
A	30	33	20.54**
B	53	33	
C	20	33	

**\*\* Significant at .01 level with D.F =2**

**Result:** It can be deduced that there is a significant variance in the choice favoring Shampoo

Hence hypothesis is rejected.

**Exhibit 7-**

**In case of Toilet soap**

Choices	Observed	Expected	
A	43	33	10.7**
B	39	33	
C	18	33	

**\*\* Significant at .01 level with D.F =2**

**Result:** It can be deduced that there is a significant variance in the choice favoring Toilet soaps,

Hence hypothesis is rejected.

**Exhibit 8-**

**In case of Cold Drink**

Choices	Observed	Expected	
A	92	33	156.69**
B	6	33	
C	2	33	

**\*\* Significant at .01 level with D.F =2**

**Result:** It can be deduced that there is a significant variance in the choice favoring Cold Drink, hence

Hypothesis is rejected.

**Exhibit 9-**

**In case of Hair Oil**

Choices	Observed	Expected	
A	37	33	26.0**
B	52	33	
C	11	33	

**\*\* Significant at .01 level with D.F =2**

**Result:** It can be deduced that there is a significant variance in the choice favoring Hair Oil, hence

Hypothesis is rejected.

**Findings:**

1. This study also revealed that many other factors that dominating buying behavior of teenagers were discounts, incentives, schemes offered to consumers from time to time when the schemes offered more quantity and less price.
2. It also found out that teenagers remained loyal to FMCG branded products as compared to unbranded substitutes.
3. It was found out that influence of advertisement definitely directed buying behavior along with self-choice in taking the decision of buying the brand.
4. This study also revealed that advertisements made positive impression on the teenagers as they became independent decision makers in purchasing products of brands of their interest.

**Conclusion-**

From the above analysis it can be concluded that-

- The most preferred brand among following product categories as found by research-  
a) Skincare Cream-Fair & Lovely

- b) Shampoo-Head & Shoulder
- c) Toilet Soap-Dove
- d) Cold Drink- Coca Cola
- e) Hair Oil- DaburAmla

- There are various factors like price, availability, brand image, advertisement & promotional tools, quality and etc. which play an important role in the teenager buying decision.

The teenager's segment is the most attractive consumer category in the country for all companies because this category is mainly influenced by fashion & changeable lifestyle so the market potential in this age group is immense. Companies can target on the needs of teenagers to explore business or profit making opportunities.

In a nutshell the research points out to the fact that Rajasthan market in FMCG is bright as more youthful population is available for education and jobs. They have access to more personal and financial freedom so they are sole decision maker when buying products for personal gratification. Many new ideas involving this segment can be implemented by companies to their business.

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