

FACTORS INFLUENCING CUSTOMERS OVER BUYING FMCG: WITH REFERENCE TO DHARMAPURI TOWN

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Abstract

The fast-moving consumer goods (FMCG) are one of the biggest sectors India. It consists of various consumable products like food products, household products; packed food and drinks, etc. the sector is playing an important role in giving employment opportunities. More than 30 lakhs people are directly engaged in the industry. The retail and distribution system are also having lot of economical development opportunities. The countries like India having huge population depending on the FMCG industries. Increasing demand for the FMCG in India attracts foreign players also. This is market is purely depending on the consumers preference and satisfaction. This article is an attempt to know the factors influencing the customers on buying decision towards FMCG.

Key words: *Fast Moving Consumer goods, Factors influencing buying behavior, FMCG market in India,*

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INTRODUCTION

FMCG goods are popularly known as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods. These items are meant for daily or frequent consumption and have a high return. Mainly, Cosmetics, Toiletries, Detergent, Shoe Polish, Ice Cream, Packaged Food and Chocolates are considered as consumable products in normal life. These products are selected by the consumers after considering various factors. The customers' perception and satisfaction towards the consumable products are deciding the market. The factors considered for buying a product determines the success of the brand. This article analysis the most influencing factors which are considered by the consumers before making buying decision.

FMCG MARKET IN INDIA

Currently the FMCG Market in India is one of the biggest and is growing at a rapid rate of almost 60 per cent. Despite the economic downturn the FMCG Market in India currently stands at Rs.85,000 crore. The phenomenal growth of the FMCG industry especially in the tier II and tier III cities in India is mostly due to the improvement in the standard of living of the people of such cities and the rise in the level of disposable income. Over the last few years companies like Dabur, HUL and ITC have managed to change the face of the FMCG industry in India by using cutting edge technology in production and a very strong distribution channel. Companies like Colgate Palmolive and Britannia have also managed to penetrate into the urban areas of the country.

The FMCG sector in India happens to be the fourth largest in the world. According to experts this industry will reach US\$ 33.4 billion by 2015. Both the organized and the unorganized sectors are largely responsible for the success of the Indian FMCG industry. The Indian FMCG market also has a well defined and established distribution network that makes products available even in the most urban areas of the country.

OBJECTIVE

This paper is aiming to find the most influencing factors on customers to buy Fast Moving Consumer Goods FMCG).

REVIEW OF LITERATURES

Mohammad Ali Daud (2013), explore in his study even if rural consumers do have the aggregate monthly income to purchase branded products, they tend not to have enough money at one point of time to actually make the purchase of an item. This is why in areas where branded products are available, the consumers are often sold in loose quantities since they fall into the purchasable range

Anupam Jain and Meenakshi Sharma (2012) revealed that brand awareness in rural areas particularly in respect of beauty care possible due to continuous and steady improvement in consumer and health care products is showing an increasing tendency. People are not worried about the price of the product. They are showing willingness to spend higher price when they realize that they can afford to spend. Since the usage of branded products of reputed companies will elevate their status as well as stature in that village. Brand quality, Price, Easy availability, Family liking, advertisement, variety and credit attributes have been taken as variables for the measurement of Brand perception in the study.

Kavitha T. C.(2012), revealed in her study, the new phase of rural consumption appears to provide a great opportunity for the FMCG sectors. Marketers will need to evolve new strategies to connect and communicate with a more aware and unreserved consumer than ever before, the study found.

Dr. Mohammad Naquibur Rahman (2012), found that consumers considered advertisement as a reliable source of knowledge as compared to others, (friend, neighbors, reference group) opinions. Advertisement play a very important role to affect any high or low income group, but expensive products and the repetition of advertisement did not affect the consumer buying behavior.

Md. Abbas Ali et.al. (2012) states that Companies marketing FMCG to rural consumers cannot merely extend their general marketing strategies to rural markets. Instead, they need to devise rural specific strategies. In this process, they need to understand crucial issues relating to rural consumer behavior and more specifically relating to different geographic regions of the country. This paper focuses on understanding factors that affect the rural purchase of FMCG in South India.

METHODOLOGY

The present study is has been done in Dharmapuri town, Tamil Nadu. Hundred sample respondents were selected on the basis of convenient sampling from the study area during the month of December 2018. The data were collected through interview schedule.

Friedman test was applied on the data to find the factor influencing most on the consumer decision towards Fast Moving Consumer Goods.

FACTORS INFLUENCING

Various factors considered by the consumers before taking buying decision. Before considering the factors for analysis, it was tested that the variation level between the customers in selecting a brand. The result is given below

TABLE 1

**FACTORS INFLUENCING TO BUY A PARTICULAR BRAND OF A PRODUCT:
FRIEDMAN TEST STATISTICS**

N	100
Chi-Square	73.157
Df	9
Ng Asymp. Sig.	.000

** Significant at 0.01 Level

The above table shows that there are variations among the respondents in selecting a particular brand. The Friedman test shows the Chi-Square value (73.157) is more than table value. It is concluded that there is significant difference between the respondents in selecting the brands.

The respondents were asked to rank factors which are considered most while purchasing FMCG. Ten factors were considered for the study after reviewing previous studies and consulting with experts.

TABLE 2

**FACTORS INFLUENCING TO BUY A PARTICULAR BRAND OF A PRODUCT:
FRIEDMAN TEST MEAN RANK**

FACTORS INFLUENCING TO BUY A PARTICULAR BRAND	Mean Rank
Attractive Packaging	4.80
Shop display	5.94
Word of mouth	6.34
Retailer and their promotions	6.48
Image of the brand	5.37
Widely used	6.06
Quality product	3.71
Reasonable price	4.76
Availability of product	6.02
To maintain status	5.55

The above table reveals that retailers' approach and promotional attractive and reach more number of customers. It is ranked number one with a mean of 6.48. the retailers and dealers attractive promotional activities are reaching the customers and influencing the customers on their decision making. The sellers' attractive word of mouth is also found successful, ranked second with a mean of 6.34. Widely used brands and availability of products are also playing key role in their decision making process.

CONCLUSION

The article is made an attempt to study the factors influencing the consumers on buying the FMCG. Retailers' effort to sell the consumable product is considered most effective factor from the present study. Also found that there are variations in the consumers' decision in selecting the brands. Hence, it is suggested to the manufacturers to decision accordingly. It is also found that the most established brands are easily reaching the consumers. This finding could

be useful to the marketers to establish their brand by making marketing strategy with the help of findings of the study.

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