

Consumers' Perception towards Select FMCG Products with Reference to Telangana State

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This study examines consumer perception of select FMCG products in the Indian FMCG industry. Consumer brand perceptions have substantial implications in Marketing.

The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 20.1 billion. It has a strong MNC presence and is characterized by a well-established distribution network, intense competition between the organized and unorganized segments and low operational cost.

The purpose of this study is to examine the consumers' perception in Indian FMCG industry. It is also another attempt to understand the role of demographic variables, social factors, intrinsic and extrinsic attributes in the purchase decision of FMCG products. The study incorporated academic literature, to contextualize perception and produce a model. Survey with 1150 consumers served to identify themes and generate survey items.

1.1 Importance of Consumer Behaviour

The study of consumer' perception is useful to the marketers, consumers and students of human behaviour. We as consumers gain valuable insights in our consumption-related behaviour. It makes us wiser consumers. Marketers benefit by understanding how consumers take consumption decisions, which enable them to formulate suitable marketing strategies.

1.2 The aim of the study

The aim of the study like is to understand the consumers' perception towards select FMCG products like Bath soap, Shampoo, Toothpaste, Talcum powder, Tea/Coffee and Wheat flour.

1.3 Objectives

- To understand the consumers' perception towards branded FMCG products,
- To analyze the impact of demographic variables on the consumers whilst purchase of branded products,
- To identify the Product, Price and Promotion attributes that influence the purchasing process,

1.4 Hypotheses

- 1) Brand loyalty is independent of Age, Gender, Education, Occupation and Income of the consumer.
- 2) Opinions on labeling, packaging and value offered by the FMCG products are independent of Age, Gender, Education, Occupation and Income of the consumer.
- 3) Purchase decision is independent of consumers' information source.

1.5 Scope of the Study

The study is focused on consumers' perception towards FMCG products.

The consumers' perception is studied. Multistage sampling is used to collect the opinions of customers towards FMCG products; this study is conducted in twin cities of Hyderabad and Secunderbad. It is believed that the residents of these cities who have settled down

from various parts of Andhra Pradesh. The study is emphasized on product promotional activities and their effect on Brand awareness, Brand perception and Brand choice. Consumers' opinions are elicited from the following product categories Bath soap, Shampoo, Toothpaste, Talcum powder, Tea/Coffee and Wheat flour.

Research Methodology

1.6 Sample Design

The present research work is taken up to understand and analyse consumers' perception of FMCG products namely Bath soap, Shampoo, Toothpaste, Talcum powder, Tea/Coffee and Wheat flour. A descriptive research design is adopted to meet the said objectives. The opinions, perceptions and attitudes of consumers towards branded FMCG products are collected. The study represents customers' point of view pertaining to the aspects of perception, branding and strategies such as advertisements, sales promotion etc.

The data has been collected using multistage random sampling in the following way:

1.7 The Sample

- Sample of 1150 consumers chosen from the twin cities of Hyderabad and Secunderabad
- Multi Stage random sampling method used to collect the primary data. The sample is collected from the Central zone of Twin cities.

1.8 SOURCES OF DATA

1.8.1 Primary Data

Primary data is the specific data which the researchers collect or observe by themselves such as conducting a questionnaire and interview The Primary data was collected from consumers of FMCG products

1.8.2 Questionnaire Construction

Therefore, a well-structured questionnaire suitable for the Indian FMCG Industry, for the purpose of collecting data from the respondents, was designed.

The questionnaire contained 21 questions close-ended and 5 point Likert's Scale.

1.8.3 Secondary Data

The secondary data has been collected from referred journals, articles, books, Doctoral theses, magazines of India and foreign origin.

1.9 Statistical Tests Applied

In order to test the hypothesis, the independent and dependent variables were cross-tabulated. Further, to know whether the relationship exists between both the variables is statistically measured using Chi-square test.

1.10 Limitations of the Study:

- The samples size is limited to generalize the result of the study.
- This study is confined to Twincities of Hyderabad and Secunderabad only and result may differ if conducted in other regions. Also it measures the consumer perception in FMCG product categories. If the same study is repeated for other industry consumer perception may vary
- The study is limited to consumers' perception of FMCG product categories only and result may vary if study is conducted for non-FMCG product categories.

- There are other variables besides consumers' perception, which affect brand perception and consumer preferences.

Findings, Conclusions and Recommendations

Demographic Profile of the Respondents

It is very important to categorize the respondents' demographic profile because it gives a broad picture to analyse the demographic factors, which influence and are associated with the perception levels. It is found that majority of the respondents belong to the age group of 41-50 years, with regard to the gender of the respondents male and female genders represent 52.3 and 47.7 percent respectively. On the education front, it is found that majority of the respondents are graduates. On the occupation front, most of the respondents belong private employee and businessmen.

On the income front, majority of the respondents i.e., 33.7% consumers are the income group Rs 10001 – 15000.

Impact of Income on Purchase decision

Income plays a significant role in purchase decision. 59.5% of the consumers have expressed that influence of income on purchase decision is extremely.

Appeal of Advertisements

Advertisements are one of the important components of the promotion mix.

Family drama type of advertisement was more effective.

Brand awareness and Brand building

Most of the respondents opined that advertisements create brand awareness. Advertisements are also highly instrumental in building brands. Celebrity advertising is one of the important forms of advertising.

Discounts and brand choice

It is believed that Discount offers influence brand choice. Majority of the respondents strongly agree that discounts change the customers' brand choice with 30.4 percent

Influence of Freebies

It is believed that freebies influence the consumers brand choice. Around 48.8% respondents agree that freebies influence brand choice.

Personal Selling & Brand Choice

It is found that salesman suggestions drive brand choice.

Online Advertisements & Brand Choice

Online Advertisements are highly instrumental in the brand choice of 37.7% of respondents.

Telemarketing & Purchase Decisions

Telemarketing calls motivate towards purchase of a brand

Brand loyalty

Many factors contribute for the increase of brand loyalty; less consumer complaints is the leading factor with 32.4%.

Product labeling and packaging

Majority of the Consumer respondents rated labelling of the product as good. Majority of the Consumer respondents expect labelling as more informative (43.7%).

Value offered by FMCG products

As consumers always expect value for their money, the respondents are asked to rate on the value offered by FMCG products. It is found from the above table 39% Consumer respondents rated FMCG products as excellent.

Impact of News Papers, Radio, TV and Internet advertisements

It is believed that the impact of news paper, radio, TV and internet advertisements play a vital role in influencing consumers purchase decision.

It is also concluded from the hypothesis testing that Brand loyalty is not independent of Age, Gender, Education, Occupation and Income of the consumer except gender case, where Brand loyalty is independent of the gender of the consumer.

It is also concluded from the hypothesis testing that Purchase decision is not independent of consumers' information source.

It is also concluded from the hypothesis testing that Opinions on labeling, packaging and value offered by the FMCG products are not independent of Age, Gender, Education, Occupation and Income of the consumer.

Hypotheses Results

Hypotheses	Pearson Chi-Square Value	df	Assymp.Sig (2 Sided)	Result
1. Brand loyalty is independent of age of the consumer	243.865 ^a	20	0	Brand loyalty is not independent of age of the consumer
2. Brand loyalty is independent of gender of the consumer	2.400 ^a	4	0.663	Brand loyalty is not independent of gender of the consumer
3. Brand loyalty is independent of education of the consumer	595.703 ^a	16	0	Brand loyalty is not independent of education of the consumer
4. Brand loyalty is independent of occupation of the consumer	788.335 ^a	20	0	Brand loyalty is not independent of occupation of the consumer
5. Brand loyalty is independent of income of the consumer	1112.936 ^a	16	0	Brand loyalty is not independent of income of the consumer

HO: Appeal of Advertisements

Hypotheses	Pearson Chi-Square Value	df	Assymp.Sig (2 Sided)	Result
1. Purchase decision is independent of consumers' information source-Age	155.448 ^a	15	.000	Purchase decision is not independent of consumers' information source-Age
2. Purchase decision is independent of consumers' information source-Gender	39.809 ^a	3	.000	Purchase decision is not independent of consumers' information source-Gender
3. Purchase decision is independent of consumers' information source-Education	402.337 ^a	12	.000	Purchase decision is not independent of consumers' information source-Education
4. Purchase decision is independent of consumers' information source-Occupation	641.922 ^a	15	.000	Purchase decision is not independent of consumers' information source-Occupation
5. Purchase decision is independent of consumers' information source-Income	509.585 ^a	12	.000	Purchase decision is not independent of consumers' information source-Income

H0: Discount change Brand choice

Hypotheses	Pearson Chi-Square Value	df	Assymp.Sig(2 Sided)	Result
1. Purchase decision is independent of consumers' information source-Age	190.139 ^a	20	.000	Purchase decision is not independent of consumers' information source-Age
2. Purchase decision is independent of consumers' information source-Gender	30.236 ^a	4	.000	Purchase decision is not independent of consumers' information source-Gender
3. Purchase decision is independent of consumers' information source-Education	231.653 ^a	16	.000	Purchase decision is not independent of consumers' information source-Education
4. Purchase decision is independent of consumers' information source-Occupation	430.148 ^a	20	.000	Purchase decision is not independent of consumers' information source-Occupation
5. Purchase decision is independent of consumers' information source-Income	354.292 ^a	16	.000	Purchase decision is not independent of consumers' information source-Income

H0: Opinion on labelling

Hypotheses	Pearson Chi-Square Value	df	Assymp. Sig (2 Sided)	Result
1. Opinions on labelling of the FMCG products are independent of age of the consumer	184.749 ^a	15	.000	Opinions on labelling of the FMCG products are not independent of age of the consumer
2. Opinions on labelling of the FMCG products are independent of gender of the consumer	48.042 ^a	3	.000	Opinions on labelling of the FMCG products are not independent of gender of the consumer
3. Opinions on labelling of the FMCG products are independent of education of the consumer	483.746 ^a	12	.000	Opinions on labelling of the FMCG products are not independent of education of the consumer
4. Opinions on labelling of the FMCG products are independent of occupation of the consumer	630.356 ^a	15	.000	Opinions on labelling of the FMCG products are not independent of occupation of the consumer
5. Opinions on labelling of the FMCG products are independent of income of the consumer	370.265 ^a	12	.000	Opinions on labelling of the FMCG products are not independent of income of the consumer

H0: Packaging of the Product

Hypotheses	Pearson Chi-Square Value	df	Assymp.Sig (2 Sided)	Result
1. Opinions on packaging of the FMCG products are independent of age of the consumer	131.535 ^a	10	.000	Opinions on packaging of the FMCG products are not independent of age of the consumer
2. Opinions on packaging of the FMCG products are independent of gender of the consumer	34.018 ^a	2	.000	. Opinions on packaging of the FMCG products are not independent of gender of the consumer
3. Opinions on packaging of the FMCG products are independent of education of the consumer	355.825 ^a	8	.000	Opinions on packaging of the FMCG products are not independent of education of the consumer
4. Opinions on packaging of the FMCG products are independent of occupation of the consumer	201.173 ^a	8	.000	Opinions on packaging of the FMCG products are not independent of occupation of the consumer
5. Opinions on packaging of the FMCG products are independent of income of the consumer	219.191 ^a	8	.000	Opinions on packaging of the FMCG products are not independent of income of the consumer

H0: Value offered by the FMCG products

Hypotheses	Pearson Chi-Square Value	df	Assymp.Sig(2 Sided)	Result
1. Opinions on value offered by the FMCG products are independent of age of the consumer	84.657 ^a	15	.000	Opinions on value offered by the FMCG products are not independent of age of the consumer
2. Opinions on value offered by the FMCG products are independent of gender of the consumer	16.074 ^a	3	.000	Opinions on value offered by the FMCG products are not independent of gender of the consumer
3. Opinions on value offered by the FMCG products are independent of education of the consumer	283.784 ^a	12	.001	Opinions on value offered by the FMCG products are not independent of education of the consumer
4. Opinions on value offered by the FMCG products are independent of occupation of the consumer	324.160 ^a	15	.000	Opinions on value offered by the FMCG products are not independent of occupation of the consumer
5. Opinions on value offered by the FMCG products are independent of income of the consumer	177.701 ^a	12	.000	Opinions on value offered by the FMCG products are not independent of income of the consumer

Suggestions

- The FMCG firms have to focus heavily on branding as it has gained a greater significance in recent times.
- These firms try to improve the quality and the performance of FMCG products to win the trust of consumers.
- The marketers must produce and market the FMCG goods economically to reach all the income groups of the customers as the income plays a key role in purchasing of branded products.
- The innovation on all the fronts, such as product offering, pricing, marketing communication must be given priority.
- As packaging, labeling play the significant role in FMCG products sales, marketers must bring innovative packaging to attract large number of customers.

- Today's consumers are expecting more value for their money from FMCG products; hence, marketers must offer superior value to the consumers.
- Proactively develop and implement brand loyalty strategies to gain a competitive advantage. Embark upon consumer loyalty programmes in an attempt to establish a large base of loyal consumers. This has proven to be successful for many FMCG companies.

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