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A Study on Consumer Purchasing Pattern towards (FMCG) Coimbatore City

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Abstract

Fast Moving Consumer Goods (FMCG) sector is the fourth largest sector in India touching everybody's life every day. The consumer behavior plays an important role in marketing of fast moving consumer goods. This behavior is affected by various factors. In the present era of globalization needs and wants of consumer's changes with time. The fast moving consumer goods (FMCG) sector contributes a lot to the growth of India's GDP. Therefore it is necessary to identify the changes in consumer buying behavior towards FMCG products. Through this study we can know about the preference of the consumers towards FMCG products and the factors influencing those products.

Keywords: *Fast Moving Consumer Goods, Marketing, Globalization.*

INTRODUCTION

FMCG industry, alternatively called as CPG (Consumer packaged goods) industry primarily deals with the production, distribution and marketing of consumer packaged goods. These are products that have a quick turnover, and relatively low cost. Consumers generally put less thought into the purchase of FMCG than they do for other products. 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. Some of the prime activities of FMCG industry are selling, marketing, financing, purchasing, etc. The industry also engaged in operations, supply chain, production and

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general management. The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US$ 44 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. Availability of key raw materials, cheaper labor costs and presence across the entire value chain gives India competitive advantage. The Indian consumers today are unique in the sense of being value sensitive and are not much price sensitive, as earlier. If they feel that a particular product offers them more value, they will buy it even if the price is high. The Indian consumers also follow strictly, their culture, tradition and values, as a result of which foreign companies are forced to give an Indian touch to their products in order to succeed in India.



Figure: 1

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FMCG

The Indian FMCG sector, with market size of U$25 billion (2007-2008 RETAIL SALES), constitutes 2.15 per cent of India's GDP. The industry is poised to grow between 10-12percent annually. A well established distribution network spread across 6million retail outlets. (Including 2 million in 5160 towns and 4million in 627000 villages) low penetration levels, low operating cost and intense competition between the organization and unorganized segments are key characteristics of this sector.

CONSUMER

A Consumer is a person who buys any goods or heir's any services for valuable consideration. The term does not include a person who obtains goods or services for resale or for any commercial purpose, However person who avail goods or services exclusively for the person of earning their livelihood by the means self-employment considered as "consumer".

CONSUMER AWARENESS

The understanding by individual of their as a consumer concerning available products and services being marketed and sold. The concept involves four categories including safety, choice, information, and the right to be heard. The first declaration of consumer rights was established in the US in 1962. Consumer activist Ralph Nader referred to as the father of the consumer.

CONSUMER PROTECTION ACT 1986

The consumer Protection Act 1986, which provides easy access to justice, has brought a legal revolution to India as a result of its cost effective mechanism's and popular support. At the same time, these mechanisms' pose Great legal challenges to the traditional courts which conduct litigation in orthodox ways. In this age of consumers, the regime of Indian consumer law will undoubtedly rule Indian markets and bestow a new phase on the existing legal structure with its strong ancient legal foundations.

INTRODUCTION ABOUT THE INDUSTRY

The consumer durables market is expected to reach US$ 12.5 billion in 2015 and US$ 20.6 billion by 2020. Urban markets accounts for the major share (65 percent) of total revenues in the consumer durables sector in India. There is a lot of scope for growth from rural markets with consumption expected to grow in these areas as penetration of brands increases.

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Also demand for durables like refrigerators as well as consumer electronic goods are likely to witness growing demand in the coming years in the rural markets as the government plans to invest significantly in rural electrification.

The FMCG sector has grown at an annual average of about 11 per cent over the last decade. The overall FMCG market is expected to increase at (CAGR) of 14.7 per cent to touch US$ 110.4 billion during 2012-2020, with the rural FMCG market anticipated to increase at a CAGR 17.7 per cent to reach US$ 100 billion during 2012-2025. A food product is the leading segment, accounting for 43 per cent of the overall market. Personal care (22 per cent) and fabric care (12 per cent) come next in terms of market share.

Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the consumer market. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51 per cent foreign direct investment (FDI) in multi-brand and 100 per cent in single-brand retail are some of the major growth drivers for the consumer market.

TOP COMPANIES

According to the study conducted by AC Nielsen, 62 of the top brands are owned by MNCs, and the balance by Indian companies. Fifteen companies own 62 brands, and 27 of these are owned by Hindustan Unilever.

The top ten India FMCG brands are:

- Hindustan Unilever Ltd.
- ITC (Indian Tobacco company)
- Nestle India
- GCMMF (AMUL)
- Dabur India
- Asian paints (India)
- Cadbury India
- Britannia Industries
- Procter & Gamble Hygiene and Health care
- Mario Industries

OBJECTIVE OF THE STUDY

- To find the preference of consumers towards Fast Moving Consumer Goods (FMCG)
- To study about consumer purchasing pattern towards Fast Moving Consumer Goods (FMCG)
- To study about factors influencing consumers to purchase the product.

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SCOPE OF STUDY

To study the socio economic background of the consumer and to find level of awareness towards the FMCG products among the consumer in the Coimbatore city. To know the purchasing pattern of the FMCG good that the consumer prefer to buy in the market. And to analyze the factors that influence the purchasing product among the consumer. The research was done based on the personalized structure questionnaire to know the consumers purchasing pattern towards the FMCG products.

NEED OF THE STUDY

The FMCG sector shows tremendous growth last few years. Compare to other sectors investors prefer to make their investment in this sector only. However there is high growth tendency for FMCG sector it faces some difficulties in achieving their destination. Hence the purpose of this study is to identify the force that influence on consumer shopping pattern particularly in Delhi NCR. Because Delhi NCR referred as the heart of Indian where most of the industry people living that why selected the FMCG product study.

LIMITATION OF THE STUDY

The time duration for executing the research study will be four months only, so it will be difficult to cover large number of samples. The study is based on only 50 samples. Responses that may be given on the questionnaire and during the interview may not be accurate or may have been deliberately given to avoid any unfavorable disclosure by the respondents. Generalizing the results of the study may not be possible with 100% accuracy.

RESERCH METHODOLOGY

Research

Research methodology is way to systematically solve the research problems it may be understood as a science of studying how research is done scientifically. It include various steps that are generally adopted by researcher in studying his research problems along with the logic behind them.

Research Design

The formidable problem that follows the task of defining research problems is the preparation of the design of the research project popularly known as the “Research design”. Research design is the argument of conditions for collections and analysis of data in a manner that aims to combine

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relevant to the research purpose with economy in a producer. The present study is based on descriptive research design. The research design adapter for this study Id descriptive design. Descriptive research includes surveys and fact finding of different kinds. The major purpose of descriptive research of the state of affairs as if exits at present.

AREA OF STUDY

The study was conducted in Coimbatore City based on the consumer's purchasing pattern towards FMCG products.

SAMPLE SIZE

The sampling unit consists of FMCG products in Coimbatore city. The data was collected from all the 50 respondents by means of questionnaire.

SAMPLE DESIGN

"The sample design used in this study are personally administered questionnaire". When population elements for inclusion in the sample based on the ease of access, it can be called as descriptive sampling method. Random sampling method was to collect the data. Personally administered questionnaire was used to collect information from the respondents.

COLLECTION OF DATA

There are two types' sources of data.

- Primary data
- Secondary data

Primary data was collected from the respondents by means of questionnaire. The secondary data was collected from the books, journals, magazines and company.

ANALYSIS AND INTERPRETATION

Table: 1 Awareness about FMCG products (Influencing Factor) Awareness

Awareness	Number of Respondent	Percentage
Advertisement	36	72%
Neighbor	3	6%
Friends	6	12%
Other factors	5	10%
Total	50	100%

Through the above table we came to know that advertisement factor is highly influenced by 72% of the respondents, 12% by friends, 10% by other factors and 6% by neighbor.

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Table: 2 Preference for shopping for purchasing FMCG products.

Particulars	Number of Respondent	Percentage
Supermarket	25	50%
Traditional shop	15	30%
Mall	7	14%
E-shopping	3	6%
Total	50	100%

Through the above table we came to know that 50% of the respondents are preferring super markets, 30% traditional shop, 14% of the respondents prefer malls, 6% E-shopping.

CONCLUSION

The most influencing factor that affects the buying decision of the consumers is still the price, followed by quality and then easy availability. People still consider price as the most important factor, during the price war between the two companies Tide emerged as a leader because of its low price. Another finding is that most of the consumers still want to go to traditional shop for purchasing household consumables supermarket is the least preferred by the consumers. After analyzing the purchase pattern of the consumers we find that 38% of the respondents said that they would like to shop for household consumables once in a month basis. As they find it convenient to shop in this manner. 72% of consumers get to know about FMCG products through Advertisement.

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