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A STUDY ON FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR TOWARDS FAST MOVING CONSUMER GOODS (FMCG) IN CHENNAI CITY

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Abstract

According to current trends, one of the major areas of the Indian economy that has previously seen exceptional growth is the fast-moving consumer goods (FMCG) sector. The consumers of today are more varied. Their demands, tastes, and preferences are evolving in response to the circumstances. Through television commercials, they are able to get as much information as possible about the product. The population's rational preference for the product is reflected in their purchase decisions and level of satisfaction. It is imperative to concentrate on the substance and development of the FMCG companies' dynamic marketing initiatives. The knowledge and utility of consumers prior to, during, and after purchases will be highlighted in this study.

Keywords: Marketing, FMCG, Product, Advertisement and Consumer.

Introduction

Nowadays, the process of marketing has an impact on our lives, either directly or indirectly. Though we are all consumers, a large number of us work in marketing as competitors, salespeople, distributors, and so on.

Goods that customers often acquire for their own use are referred to as FMCG (fast-moving consumer goods). Fast-moving consumer goods (FMCG) are ephemeral. Their lifespan is remarkably brief. Fast-moving consumer goods (FMCG) may not last a full year. Goods like dairy products, toothpaste, shampoo, shaving cream, packaged foods, detergent, toothpaste, cosmetics, and home accessories are a few examples. It may even include some electronics.

FMCG items are also referred to as "packed goods" and "consumer packaged

goods" when they are sold and used for brief periods of time. Customers purchase these goods in little quantities either weekly or on a daily basis. These products have a low unit cost. Because there are so many consumers and everyone needs FMCG products on a regular basis, the consumption of these products is very high. The distribution of FMCGs and wholesale commerce are anticipated to be significantly impacted for some time by the retail market's transition. FMCG distribution will see a rise in the importance of logistics firms offering a broad range of supplementary services (Srinivasu, 2014).

More than 30 lakh people are employed in downstream activities by India's FMCG industry. FMCG products include food and drink, personal care, and domestic care. The Indian Express (2013) reports that the

FMCG sector is currently valued at about 3710 billion, accounting for 4.8% of the country's GDP. By 2020, the market size of the FMCG sector in India is predicted to grow to over 9400 billion.

Financial Express (May 2008) reports that the Fast-Moving Consumer Goods (FMCG) market saw a 14.5% increase in sales from 2007 to 2008. It continues to expand at a rate of r at the moment. The "sachet" was the largest shift in the FMCG sector in recent years, with numerous biscuit, shampoo, hair oil, chocolate, detergent, and other FMCG companies

FMCG in India

India's economy is among the world's fastest-growing. India has a fairly vast population and land area. India has a population of around 125 crore, or roughly 17% of the world's total. India is the 12th largest consumer market in the world, and its FMCG industry, valued at over ₹ 832 billion, is the country's fourth largest economic sector, according to Gupta and Roy (2012). India's consumer market is expected to grow to become the fifth largest in the world by 2025, according to a 2007 McLensey Global Institute report titled "The Bird of Gold: The Rise of India's Consumer Market." Following India's liberalisation, the Indian market has grown remarkably.

The government has consistently taken the initiative to develop profitable tactics for the Indian market going forward. There exist diverse industry categories and market kinds, such as urban, sub-urban, and rural markets. In India, the rural market is enormous. Even with the abundance of transit options today, it is still challenging to cover the entire region. Approximately 70% of Indians are rural residents. Businesses in Indian markets, particularly those in the FMCG sector, have a lot of opportunities. More than 3 million people are employed in downstream activities by the FMCG sector, which is the fourth-largest in the Indian economy (Solomon 1995).

Market Size of FMCG Sector in India

As per the India Brand Equity Foundation (2017 article revised), there is an anticipated growth rate of around 14.7% for the fast-moving consumer goods (FMCG) market from 2012 to 2020. Between 2012 and 2025, the rural FMCG market is expected to reach a valuation of about 6400 billion. The

Indian Express (2013) estimates that the FMCG sector is valued at about 3710 billion, accounting for 4.8% of the country's GDP. By 2020, the market size of the FMCG industry in India is projected to grow to over 9400 billion.

Major Players of FMCG in India

Dabur India, Nestle India, GCMFF (AMUL), Asian Paints (India), Britannia Industries, Proctor & Gamble Hygiene and Health Care, Hindustan Unilever Ltd., ITC (Indian Tobacco Company), Marico Industries, Nirma, Coca-Cola, Pepsi, and Cadbury India are some of the major companies in this industry. And "Patanjali Ayurved," a recently formed player in the Indian FMCG business with a valuation of about \$30 billion in 2015–2016. Half of Hindustan Unilever Ltd.'s and Dabur India's sales came from rural India, according to an ASSOCHAM analysis. Additionally, Colgate Palmolive India and Marico account for roughly 37% and 25% of sales, respectively, although 25% of sales at Nestle India Ltd. and GSK Consumer came from rural India (Singh 2014).

Statement of Problem

In the current market, celebrity endorsement is a popular concept; nevertheless, the margin and price value of FMCG goods are quite low. The brand(s) pays high-profile individuals to endorse the goods. It raises the price of the product, burdening the buyer/consumer in the end. Since FMCG products are consumed and bought on a regular basis without much thought, it seems unnecessary to use celebrity endorsements. Despite the low profit margin and low value of FMCG products, firms continue to pay high-profile individuals. Although this could be the cause of the product's rise in value, the researcher is interested in learning whether there is a beneficial relationship between the selling of FMCG products and celebrity endorsements. Conversely, there is a belief that there is a beneficial correlation between FMCG products and celebrity endorsements, since they boost the appeal and sales of the products.

Objectives of the Study

1. To know the factors that influence FMCG businesses' choice of celebrity endorsement ads.
2. To understand customer knowledge of FMCG companies and trends in purchasing behaviour.

3. To ascertain the alterations and impacts on consumers' purchasing patterns subsequent to viewing celebrity-endorsed FMCG product advertisements.
4. To find out the morality of any FMCG product commercials featuring celebrities.

Hypothesis of the Study

H₀: There is high potential of celebrities in advertising world and in spite of efforts by the advertisers it is not fully satisfying the customers.

H₁: The advertiser has not adopted appropriate strategies for the ethical development of advertisements even if it includes celebrity endorsement.

Research Methodology

Both analytical and descriptive methodology is used in this investigation. This research is grounded in both primary and secondary data. The study mostly uses primary data that was gathered from 200 respondents using a scheduled interview schedule. A proportionate random sampling strategy is used to collect customer answers. There were 200 responders in Chennai city, where the sample size was gathered. All of the answers are provided in percentage form using tables, graphs, and charts, and the t-test has been utilised to assess the hypotheses.

Review of Literature

Relevant literature study is very useful in understanding the research problems. This is useful to get what research exploration others have done. How they have dealt with related research problems. It is an explanation of the literature relevant to specific topic or field.

Jain V. (2011), Examining how these Indian consumers view the celebrity endorsement process and how it affects their purchasing decisions is the main goal of "Celebrity Endorsement and Its Impact on Sales: A Research Analysis Carried out in India." Even yet, there was evidence in this study to support the theory that product purchases are influenced by celebrity endorsements. Furthermore, a resounding majority of respondents concur that celebrities enhance brand equity. Additionally, this research suggests that celebrity endorsement aids in the promotion of brands. In the end, he comes to the conclusion that utilising celebrities for endorsements is harmless. In my research, I found that a lot of people believe

celebrity endorsements help introduce new products. In India, where many aspire to imitate the fashion of celebrities because they admire it, so advertisers use this strategy for selling their product(s).

Stonkiene E., Banyte J. and Piligrimiene Z. (2011), indicates that by combining elements from the literature, one may examine the steps involved in the entire celebrity selection process. The use of celebrities in advertising is commonplace. These inquiries form the basis of the study. 1 How to choose the ideal star. 2 Ways to steer clear of the possible hazards associated with celebrity endorsements. They offer a "conceptual three-stage model" for choosing celebrity endorsers as the outcome of these efforts. These three phases are used nowadays to help choose the right celebrity for a certain product. For example, in a Pepsi commercial, young people are shown as being more sophisticated than older people. Some of these products (Coca Cola, Pepsi,

Paramasivan. C (2011) Information technology plays a key role in the modern world which meets the day-to-day activities of the human beings directly or indirectly associated. Commercial activities particularly banking and financial sectors may not function without proper information technology. With rapid development in the Information Technology Commercial and financial sectors performed will and could reach to nook and corner of the world.

Sahay A. and Abhishek (2013), Analyse the lens of culture to generate theories about how cultural norms in developing nations like India influence consumer attitudes towards celebrity endorsements. It has long been accepted that culture is what persuades members of a community to adhere to the standards of their shared identity. This paper aimed to review and summarise the literature on celebrity endorsements in light of the significantly different practices in the type and volume of usage of the phenomenon between developed and emerging markets. Additionally, a set of culturally-based hypotheses was developed to explain the differences.

Results and Discussions

Table – 1: Brand Wise Distribution of Sample Units to each type of Fast Moving Consumer Goods

Products	Brand	No. of Respondents	Percentage
Shampoo	Clinic plus	62	31.00%
	Sunsilk	26	13.00%
	Pantene	20	10.00%
	Head & Shoulder	35	17.50%
	Meera	27	13.50%
	Chik	19	9.50%
	Others	11	5.50%
	Total	200	100.00%
Biscuits	Britania	90	45.00%
	Parle	65	32.50%
	Sunfeast	28	14.00%
	Others	17	8.50%
	Total	200	100.00%
Bathing Soap	Hamam	67	33.50%
	Cinthol	31	15.50%
	Medimix	23	11.50%
	Lifebuoy	28	14.00%
	Margo	10	5.00%
	Lux	29	14.50%
	Mysore sandal	7	3.50%
	Others	5	2.50%
	Total	200	100.00%
Toothpaste	Colgate	89	44.50%
	Pepsodent	39	19.50%
	Close-up	28	14.00%
	Dabur Red	24	12.00%
	Vicco	16	8.00%
	Others	4	2.00%
	Total	200	100.00%

Mosquito	Goodnight	77	38.50%
Repellent	All out	45	22.50%
	Mortein	40	20.00%
	Tortoise	33	16.50%
	Others	5	2.50%
	Total	200	100.00%

The table shows that Clinic Plus holds 31% of the total, followed by Head and Shoulders (17.50%), Chik (9.50%), Meera (13.50%), and Sunsilk (13.000%). Customers do not frequently utilise the other brands. The above table shows that the three brands that respondents gave the most thought to were Clinic Plus, Head & Shoulders, and Meera. In terms of priority, Britannia biscuits comes in front with 45 percent, followed by Parle with 32.50 percent. The majority of people utilise these two brands. Thirty-three percent of the respondents use Hamam, fifteen percent use cinthol, fourteen fifty percent use Lux, fourteen percent use Lifebuoy soap, and eleven fifty percent use Medimix soap. The distribution of the other brands varies very little and they are in comparable positions. Colgate is preferred by the majority of responders (44.50%), followed by Pepsodent (19.50%) and close-up (14%). The Colgate brand is used by over 44% of respondents, indicating their familiarity with it. Goodnight is used by 38.50 percent of respondents, All Out by 22.50 percent, and Mortein by 20 percent. There is a very small amount of other brands in the sample units.

Table – 2: One-Sample t-test for Attributes and Benefits of Bathing Soap

Attributes and Benefits	N	Mean	Std. Deviation	Std. Error Mean	T value	Sig (2-tailed)
Helps to acquire smoothness of the skin	200	3.9867	1.11889	.04568	21.600	.000
Gives fragrance	200	4.0583	.91997	.03756	28.179	.000
Kills germs	200	3.7267	1.07574	.04392	16.546	.000
Provides glowing and clean skin	200	3.8050	1.02081	.04167	19.316	.000
Gives refreshing feel	200	4.0317	0.97583	.03984	25.896	.000

Table 2 makes evident the average values of the characteristics and advantages of Bath soaps such as this have the following benefits: they help achieve smoother skin (Mean = 3.98), provide fragrance (Mean = 4.05),

destroy germs (Mean = 3.72), leave skin clean and radiant (Mean = 3.80), and provide a refreshing feeling (Mean = 4.03). At the five percentile, the corresponding seven attributes' t values of 21.6, 28.17, 16.54, 19.31, and 25.89

are statistically significant. Thus, the researcher has come to the conclusion that consumers highly agree with the features that produce aroma and refreshment. The other qualities, however, which produce radiant, clean skin, help to achieve skin smoothness, and are simply acknowledged by customers.

When the mean values of these three variables are larger than four and also greater than other attributes and advantages of bathing soap, the attributes that give scent and a refreshing experience are compared to determine which are the primary attributes and benefits of soap.

Table – 3 One Sample t-test for Brand Knowledge

Variables	N	Mean	Std. Deviation	Std. Error Mean	t-value	Sig. (2-tailed)
Be certain of the brand before making a purchase.	200	4.3950	.82671	.03375	41.333	.000
aids in remembering the features of the item	200	4.1017	.84014	.03430	32.120	.000
Understanding the brand makes it easier to determine the product's ingredients.	200	3.9017	.92921	.03793	23.769	.000
encourages sticking to the same brand	200	4.1650	.92873	.03792	30.726	.000
makes it possible to comprehend the brand's image	200	3.9967	1.00250	.04100	24.311	.000
able to discriminate between legitimate and fraudulent brands	200	3.9417	1.10920	.04528	20.795	.000

Table 3 above makes it clear that customers highly agree on the following variables: making a certain decision about a brand before making a purchase, remembering the benefits and features of the brand, and encouraging the usage of the same brand (Mean = 4.39, 4.10, 4.16). Prior to purchasing fast-moving consumer products, individuals have very definite ideas about which brands to choose. The fact that the mean values of the other variables—such as brand image, brand knowledge, and knowledge of genuine and fake brands—remain at three also indicates that consumers are well-informed about the different fast-moving consumer goods brands.

Major Findings

❖ Out of the 200 respondents, 54.50% are graduates, followed by 24.50% who have completed their HSC, 15% postgraduate students, and just 5% of business or professional responses. It is evident from this that a greater number of respondents are aware of and conscious of advertisements, as the majority of

respondents fall into the Graduate category. In addition, kids want to emulate celebrities, particularly athletes and actors and actresses in movies.

- ❖ Clinic Plus makes up 31%, followed by Head and Shoulders (17.50%), Chik (9.50%), Meera (13.50%), and Sunsilk (13.000%). Customers do not frequently utilise the other brands. It is determined that the three brands that the respondents gave the most thought to were Clinic Plus, Head & Shoulders, and Meera.
- ❖ First on the priority list with 45 percent is Britannia biscuits, followed by Parle with 32.50 percent. The majority of people utilise these two brands.
- ❖ It was shown that 33.50% of the participants use Hamam, 15.50% use cinthol, 14.50% use Lux, 14% use Lifebuoy soap, and 11.50% use Medimix soap. The distribution of the other brands

varies very little and they are in comparable positions.

- ❖ The majority of those surveyed favour Colgate. 44.50 percent, Pepsodent (19.50 percent), and close-up (14.5 percent) came next. The Colgate brand is used by over 44% of respondents, indicating their familiarity with it.
- ❖ Approximately 38.50 percent of the participants use Goodnight, whereas 22.50 percent use All out, and 20 percent use Mortein.
- ❖ Out of total respondents, 47.50% of the respondents think advertisement is very popular medium of marketing, this shows large number of respondents believe advertisement is very suitable and easy for presenting a new product in market.
- ❖ On the basis of obtained data, 53.50% of the respondents like television advertising. Because television is an important part in our daily life. Consumers or customers get knowledge without moving anywhere. 24% of the respondents are interested in internet advertising. In today's scenario most of people have mobiles phone and laptop, and are using internet facility on it.
- ❖ Most of respondents (53.50%) like celebrity(s) in advertisement. Many buyers or consumers perceived celebrity as an icon, they want to become as well as celebrity and follow their comment, dialogue and personality. Celebrity endorsement is very useful for new product introduction and product recall.
- ❖ Maximum 41.50% of the respondents think celebrity endorsement is a good idea. It contributes to increase demand of product.
- ❖ Out of total respondents, 31% of the respondents prefer athlete/ sport person as a celebrity in advertisement. Many people are attracted by their fitness. On second position, 29% of the respondents prefer actress due to large number of household and beauty products.
- ❖ Out of total respondents, 33% of the respondents think sometimes

advertisement can increase product attraction and 32% of the respondents assume advertisement always increases product attraction.

- ❖ Maximum 35% of the respondents are sometimes attracted by celebrity. While minimum 27% of the respondents are always attracted by celebrity in advertisement by their styles, dressings and looks, respondents sought them as icon.
- ❖ Brand knowledge, brand image and knowledge about original and spurious brand are also maintained at three which shows that the consumers have good knowledge about the various brands of Fast moving consumer goods.

Suggestions

- ❖ FMCG businesses should produce high-quality goods rather than spending a lot of money on endorsements. Companies should create preparations for rapid response contingencies as well.
- ❖ Assessing the degree of awareness attained or the shift in consumer attitudes towards goods and services both before and after celebrity endorsement.
- ❖ Marketing professionals ought to be aware of consumer preferences before deciding which celebrities to endorse. Align the messaging with the objective.
- ❖ Create a product that is more useful to the consumer.
- ❖ It is not appropriate to overly push any product to marketers. Customers think the product isn't doing well in the market, thus marketers need to employ this tactic more often to sway customers. This approach is only appropriate and helpful during the launch or decline phase of a product.
- ❖ Marketers should prioritise the quality of their products over promotional efforts, as excessive advertising and promotion can lead to a rise in product costs.
- ❖ A significant consideration in celebrity endorsement is ethical substance. Marketers should be aware of this.

Conclusion

Brand managers should prioritise quality over raising costs by appointing pricey or interactive celebrities to advocate their products, as per study and prior studies on the subject of celebrity endorsement. While there's no denying that celebrity endorsements boost marketing efforts, selling FMCG products doesn't always need hiring high-profile individuals. Although celebrity endorsements improve product information, consumers ultimately rely on the usefulness and quality of the product. A significant portion of respondents think that celebrities do not use the products they personally recommend, and that "Word of Mouth" is the primary source of information for the populace in underdeveloped and rural areas with limited access to other forms of media. The current study concludes that favourable celebrity endorsements of FMCG products and positive celebrity information about the products themselves can enhance the perception of the product or brand. Negative information, however, has the power to ruin the reputation of a product or brand. Customers should be provided with accurate information about the product and cost-effectiveness in order to gain market share, as ethical behaviour is a long-term role in shaping consumers' perceptions of a product's sustainability, particularly in the case of FMCG products. The study found that the launch of new FMCG products benefits greatly from celebrity endorsement. Advertisers should remember that consumers are well-informed about their rights, thus using celebrities to support FMCG items in an unethical way is not a good idea.

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