

A Study On Consumer Behavior Towards Fmcg Products With Special Reference To Personal Care Products

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Abstract: The motive of this research work is to study the consumer behavior towards Fast Moving Consumer Goods (FMCG) personal care products in Coimbatore district of Tamilnadu. The data for the study has been collected by performing face-to-face interview with the respondents with the distribution of questionnaire. This study collects data from 200 consumers at various places in Coimbatore district. This study is started with objectives of examining socio-economic background of respondents, analyzing the factors influencing consumer behavior towards FMCG personal care products, checking level of satisfaction of consumers and knowing expectation of the consumers from the personal care products. The collected data are tabulated properly and analyzed with percentage analysis, principal component factor analysis, and multiple regression linear analysis, mean score analysis and chi-square test. This study reveals that consumer behavior is largely affected by place, product, price, promotional, psychological and people influences. The satisfaction level of consumers also depends on product specific and market wide factors. Consumer behavior will improve when their expectations are fulfilled by their distribution channels.

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1. INTRODUCTION

Across the world this case is true, Fast Moving Consumer Goods (FMCG) represent a hefty part of consumer's budget. Products under FMCG category includes all consumables that consumers buy frequently at regular intervals. Generally, these products are meant for daily use of frequent consumption and facilitate to satisfy the different needs of consumers. Fast moving consumer goods refers to those retail goods that are generally replaced or fully used up over a short period of time, that is a day, week, month or within a year. This sector has seen the appearance of new product categories and products that seek to accomplish the escalating aspiration of a new generation of Indians, who are turning out to be very demanding consumers. Personal care products fulfill the primary needs of consumers and are typically small-ticket objects that are essential for most households. The FMCG personal care product sector would persist to do well not only because it is suspicious and well-entrenched one, but also because it longs directly on to the fundamental economic growth potential of a nation. For long period this sector was dominated by HUL, Cadbury India, Colgate Palmolive, Nestle and large domestic groups like Tata, Godrej. Over the years several new regional players have emerged, who despite their small size have successfully carved a niche for themselves in the competitive FMCG market. This sector offers soaps,

shampoo and conditioner, instant hand sanitizer, after shave, shaving cream, mouth care products, hair care products, baby care products, home cosmetic products and more on personal care product series for the use of consumers.

2. STATEMENT OF THE PROBLEM

Consumer behavior is the process of decision making and acquiring, evaluating, using and disposing of goods and services. It is the study of how individual customers make decisions to spend their time, money and effort on consumption related with a particular goods or service. Consumer behavior considers the fact regarding what to buy, when to buy, where to buy, how often buy and how often to use it. Consumer behavior also subject to feature of the product, price, quality, quantity, advertisement, place of availability, life of the product and so on to ensure strong competitive advantage. Consumer behavior towards the FMCG products has received considerable attention from the competitors in the market place.

The consumer behavior is primarily based on consumer buying behavior, with the customer playing four divergent roles like user, payer, buyer and consumer. The study is focused on consumer behavior related with personal care products. Since this concept is closely related to manufacturers, marketing channels and retailers involved in this business. There are

different pattern of consumer behavior, which may be generalized across product, price, place, promotion, psychological and people influences. The personal care product offered to the consumers should satisfy the functional and psychological benefits that the consumers expect from the product. With the view to test the above concept, this study has been made with certain objectives in this arena.

3. REVIEW OF LITERATURE

This study presents a review of the literature, in the field of consumer behavior towards FMCG personal care products. Baumgartner (2002) recognized that there is marvelous complication in consumer behavior. There may be several aspects both rational and emotional that may act mutually in influencing the purchase decision. Sauer (2001) reporting on the industry trends in personal care and cosmetic industry, used a classification scheme of deodorants, hair care products, color cosmetics, men's grooming products, oral hygiene products, fragrances, skin care products and sun care products. Deliya (2012) importance of packaging design as a vehicle for communication and branding is growing in competitive markets for packaged FMCG products. This research utilized a focus group methodology to understand consumer behavior towards such products.

Schiffman et al. (2000) consumer behavior is in the search for purchasing, evaluating and disposing of products, and services. They further affirmed that the study of consumer behavior is concerned not only with what consumers buy, but how they buy, and how often they buy it. Kotler, (2002) believes that such social factors, reference groups, family and social roles and statuses influence consumer's behavior. Perreault et al, (2000) stated that relationships with other family members influence many aspects of consumer behavior. Family members may also share many attitudes and values, consider every body's opinion and divide various buying tasks. Rasool et al. (2012) conducted to find out the effects of advertisements on user behavior and the results proposed that people changes their brand for to try to new brands.

Kotler et al. (2009) the relationship between consumer behavior and marketing strategy is stressed because it depends upon managers understandings of consumer behavior. Understanding of consumer behavior is especially important in recession times. Rajput et al (2012) studied the impact of product price and quality on consumer buying behavior. Consumer behavior patterns are quite related to each other, specifically in the aspects like quality, pricing and decision making (Kumar, 2011). The results found that quality, satisfaction, styling, price, finishing operation, performance, safety, worth, shape, use and excellence were placed top priority. Celen et al. (2005) analyzed

the structure of the market is being transformed in recent years by new retails formats. This study is focused on the analysis of competitive dynamics within the sector, and draws lessons for competition policy.

4. OBJECTIVES OF THE STUDY

This study is conducted with the following objectives, these are:

- To analyze the socio-economic background of respondents who are using personal care products.
- To measure the factors influencing consumer behavior towards purchase of personal care products under FMCG portfolio.
- To check the level of consumer satisfaction on various FMCG personal care products.
- To know the different expectation of consumers from the personal care products.
- To test the relationship between the socio-economic background of consumers and their purchase frequency/price target.

5. METHODOLOGY

This study can be initiated with descriptive research design and the sample identified for the study is consumers who are all using personal care products in Coimbatore district, which is located in the western part of Tamilnadu. This study covers both rural and urban consumers and 200 respondents are selected randomly for this study. This study collects primary data from the respondents, who were used the personal care products at least one year time period. In addition to the primary data, secondary data has been collected from various new papers, journals, magazines, books and internet sources. Well-structured and non-disguised questionnaire was framed and utilized for data collection. The questionnaire has been constructed with four parts; first part seeks the information about the socio-economic background of the respondents. Second section contains various factors influencing consumer behavior on purchase of personal care products. Third section collects the satisfaction level of consumers with personal care products. Fourth section enlists expectation of customers from the personal care products. Initially the survey instrument was pretested and accordingly questionnaire has been formulated for collecting data. The data collected are tabulated and analyzed by applying the following statistical tools. The socio-economic background of consumers was analyzed by using simple percentage analysis. The factors influencing consumer behavior on purchase of personal care product has been analyzed with principal component factor analysis. Multiple regression analysis was performed to determine the relative contributions of each of the six factors influencing consumer behavior towards personal care products. Mean score analysis has been performed to check the satisfaction

level of consumers. Graphical representation technique utilized for showing the expectation of consumers from the personal care products. The relationship between the socio-economic background of consumers and their expectations are tested with Chi-square analysis.

6. RESULT ANALYSIS AND INTERPRETATIONS

Analysis of Socio-Economic Background

Analysis of socio-economic background of respondents is presented in table-1.

Table – 1: Analysis of Socio-Economic Background of Respondents

Characteristics	Distribution	Frequency	Percentage
Gender	Male	102	51%
	Female	98	49%
Age	18 - 25 Years	87	43.5%
	26 - 35 Years	48	24%
	36 - 50 Years	34	17%
	51 & Above	31	15.5%
	Less than 10,000	42	21%
Monthly Income	10,001 - 25,000	101	50.5%
	25,001 - 50,000	43	21.5%
	50,001 & above	14	7%
	Uneducated	16	8%
Educational Qualification	Up to HSC	68	34%
	Diploma	16	8%
	UG	72	36%
	PG	28	14%
	Single	89	44.5%
Marital Status	Married	108	54%
	Divorced	1	0.5%
	Widow	2	1%
	Housewife	59	29.5%
Occupation	Business/Profession	47	23.5%
	Employed	26	13%
	Student	68	34%
	At Regular Interval	96	48%
Purchase Frequency	On Necessity	68	34%
	Occasionally	36	18%
	Low Priced	85	42.5%
Price Target	Medium Priced	63	31.5%
	High Priced	52	26%
Place of Purchase	Urban	122	61%
	Rural	78	39%

(Source: Primary data)

From the above table-1, it is inferred that the majority of gender of the respondents furnishes, 51% respondents are male. Age of the respondents furnishes that 43.5% respondents are falls less than 18-25 years. Monthly income of the respondents has been checked, it evidences 50.5% respondents earnings falls under 10,001-25,000. Educational qualification of the respondents shows that majority (36%) are undergraduate degree holders. Marital status of the respondents has checked and it shows 54% are married respondents. The occupation of the respondents shows that 34% are students. Purchase frequency of

respondents reveals that 48% of respondents are purchasing personal care products at regular interval. The price target for 42.5% respondents are purchasing low priced brand. Place of purchase shows that 61% of respondents purchasing in urban areas.

Factors Influencing Consumer Behavior

There are numerous factors influencing consumer behavior towards FMCG personal care product. The impact of factors on consumer behavior is checked by using principal component factor analysis. The factors are categorized and tabulated consequently and presented in Table-2.

Table - 2: Results of Factor Analysis

Factors	Components	Factor Loadings	Eigen Value	% of Variance Explained
Place Factors	Superior Mobility	0.727	7.044	23.623
	Decoration and Atmosphere of shop	0.718		
	Ideal Shop for Low Price	0.804		
	Existence of Shopping Malls	0.796		
	Attractive Product display	0.756		
	Popularity of the Shop	0.812		
	Located in Junction area	0.806		
	Availability of Transport	0.784		
	Trustworthy of Shop	0.796		
	Product Availability	0.813		
Product Specific Factors	Brand Image	0.823	6.112	17.634
	Design of the Product	0.738		
	Neat Packaging	0.724		
	Product Image	0.763		
	Product Range	0.689		
	Size of the Product	0.683		
	Quality of the product	0.799		
	Durability	0.677		
	Safety for Use	0.674		
Price Specific Factors	Low Price	0.821	5.218	15.135
	Cash Discount	0.801		
	Discount for Bulk Purchase	0.732		
	Competitive Price	0.785		
	Value for Price sacrificed	0.792		
	Sample packet with low price	0.633		
	Suitable Quantity	0.682		
Promotional Factors	Celebrity Endorsement	0.636	4.782	11.344
	Freebies	0.778		
	Content of the Advertisement	0.763		
	Offer	0.674		
	Prize	0.567		
	Demonstration in Exhibitions	0.662		
Psychological Factors	Agent/Shoppers Recommendations	0.712	3.234	5.221
	Attitude of Consumer	0.825		
	Level of Knowledge	0.796		
	Interest on Product	0.682		
	Perception about the Product	0.647		
People Influences	Motivation level	0.594	2.342	3.534
	Guidance to Purchase	0.725		
	Recommendations	0.782		
	Customer Service and Care	0.679		
	Complaint Recognition	0.676		
	Transparency in Transactions	0.593		

(Source: Primary data)

Factor analysis has been adopted to test the six factors influencing on consumer behavior towards FMCG personal care products. Put together forty-three components under six factors explain 76.491% of variations in data. The brief explanation about each factors are presented below. At the outset place factor is the most important factor, which is loaded with ten components and it explains 23.623% of variance in data with the Eigen value of 7.044. Followed to that product specific factors are loaded with nine components and it has Eigen value 6.112 and explains 17.634% of

variance in data. Price of product plays a significant role in the consumer behavior; here it is loaded with seven factors to find its influence. It has Eigen value of 5.218 and explains 15.135% of variance in data.

Promotional aspects also direct the consumers vigorously; seven strings are loaded in promotional factors. It possesses Eigen value of 4.782 and explains 11.344% of variance in data. Psychology of the consumers plays pivotal role in their own behavior; in this respect it is loaded with five components. It explains 5.221% variance in data and has Eigen value

of 3.234. Finally, people influences alter the consumer behavior to some extent, five factors loaded explains 3.534% of variance in data and has Eigen value of 2.342. Cronbach's alpha was used to assess the inter-reliability of each component. The alpha score found that 0.87 for place factors, 0.91 for product specific factors, and 0.93 for price specific factors, 0.88 for promotional factors, 0.92 for psychological factors and 0.89 for people influences. It evidences that recommendations from the reference group largely influence consumer behavior.

In order to find the trustworthy of data computed in factor analysis, multiple linear regression analysis has been adopted to test the factors influencing consumer behavior towards FMCG personal care products. Both product centric and consumer centric factors are assumed as independent variable and consumer behavior is taken as dependent variable for this performing this analysis. Table-3 presents the factors influencing consumer behavior toward personal care products.

Table – 3: Multiple Linear Regression Analysis

Independent Variables	Dependent Variable	Un-standardized coefficients		Beta coefficients	t-value	Sign.
		B	Std. Error			
Constant	Consumer Behavior	-0.798	0.633		-1.553	0.101
Place factors		0.438	0.035	0.423	5.999 [@]	0.001
Product specific factors		0.264	0.062	0.144	2.133 ^{\$}	0.048
Price specific factors		0.223	0.069	0.132	2.679 ^{\$}	0.033
Promotional factors		0.067	0.122	0.078	0.639 [*]	0.264
Psychological factors		0.132	0.135	0.098	1.959 ^{\$}	0.322
People influences		0.106	0.038	0.101	1.717 ^{\$}	0.168
R	0.772					
R Square	0.576					
Adjusted R Square	0.50					
F Value	22.58 [@]					

Note: @ significant at 1%, \$ significant at 5% and *significant at 10%.

Table 3 discloses the values of R^2 and adjusted R^2 as 0.576 and 0.50 respectively which indicates 52.4% of variation on consumer behavior is explained by six underlying factors on consumer behavior. From the list of six independent variables, place oriented factors are having highest beta coefficient 0.438 and t-value of 6.243 that are statistically significant at 1% level. This factor evidences the strong impact on the consumer behavior towards personal care products. Likewise, product specific factors, price specific factors, psychological factors and people influences possessing positive beta coefficients and statistically significant at 5% level. Promotional factors show that it is significant at 10% level. This analysis reveals that all factors in the same way influencing consumer behavior in this reverence.

Consumer Satisfaction on Personal Care Products

In order to check the satisfaction levels of consumers with regard to personal care products, the following characteristics like price of the product, quality, quantity, taste level, freshness of the product, flavor, packaging style, content safety of the product and range of products of the product-specific factors are presented. Total score has been computed and facilitates to find mean score and ranking position of each characteristics under product specific and market wide factors. The consequential weighted scores of these characteristics provided by respondents are publicized in table-4.

The above table-4 evidences that the satisfaction level of the respondents with regard to various FMCG personal care products. There are various characteristics related with product specific and general market wide factors have been investigated. Product specific factors enlist ten characteristics in which, package of the product ranked first with mean score of 45.80. Different range of product (45.67) ranked as second, quality (43.87) ranked as third among the product specific factors. Price of the product, flavor, taste level, quantity, durability, safety and freshness are ranked as fourth, fifth, sixth, seventh, eighth, ninth and tenth respectively. Likewise market-wide factors cover five factors, advertisement (49.53) got the first rank in this category, which plays a predominant role to buy and use such kind of personal care product to the consumers. Followed to that supply without interruption ranked second, availability in all places ranked third, proximity of product access ranked fourth and storage safety ranked as fifth in this category. It is understood in this analysis customer satisfaction largely depends on the various factors connected with both product and market.

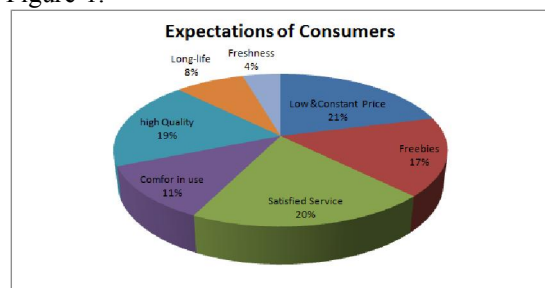
Table – 4: Level of Customer Satisfaction

Factors	Characteristics	Satisfactory Level					Total Score	Mean Score	Rank
		5	4	3	2	1			
Product Specific Factors	Price	53	37	32	38	40	625	41.67	4
	Quality	57	42	36	32	33	658	43.87	3
	Quantity	33	47	39	43	38	594	39.60	7
	Taste Level	45	38	34	36	47	598	39.87	6
	Freshness	27	29	37	48	59	517	34.47	10
	Durability	35	39	42	43	41	584	38.93	8
	Flavor	33	45	42	48	32	599	39.93	5
	Package	63	43	42	22	30	687	45.80	1
	Safety of the product	38	26	28	61	47	547	36.47	9
Market Wide Factors	Range of the product	49	54	52	23	22	685	45.67	2
	Availability	45	62	33	32	28	664	44.27	3
	Regular supply	67	34	33	35	31	671	44.73	2
	Storage safety	28	31	72	33	36	582	38.80	5
	Proximity access	34	46	43	36	41	596	39.73	4
	Advertisement	69	56	38	23	14	743	49.53	1

(Source: Primary data)

Expectation of Consumers

Consumers expect lot from the retailers, marketers and producers with regard to the personal care products. These factors can be categorized as low and constant price, freebies with the product, satisfied customer service and value, sophistication and comfort in use, high quality and quantity, long-life use, and freshness supply. The respondents are asked to mark any of top three expectations from the list of seven factors and the top three factors are assigned as 3, 2, and 1 respectively. On this basis, respondent's points are converted into percentile and depicted in the Figure-1.

**Figure – 1: Expectations of Consumers**
(Source: Primary data)

It is evident from the figure-1, low and constant price is the highest expectation of consumers, which occupies 21% (252 points). Satisfied customer service and value engages 20% (236 points), which is the second most important expectation to consumers. High quality and quantity is the third largest expectation of consumers, which occupies 19% (226 points). Similarly, freebies possess 17% (199 points), sophistication and comfort in use fetches 11% (138 points), long-life use 8% (96 points) and freshness obtains 4% (53 points) and shows fourth, fifth, sixth and seventh expectation of consumers from the FMCG personal care products.

Chi-square Analysis

The relationship between the socio-economic background of consumers and their purchase frequency and price target are tested with chi-square analysis. In this direction, the null hypothesis (H_0) states that there is no relationship between socio-economic background of consumers and their purchase frequency/price target.

Table - 5: Chi-Square Test (5% level of significance)

No relationship between	Degrees of Freedom	Table Value	Calculated Value	Result
Gender and Purchase Frequency	2	5.991	6.839	Rejected
Age and Purchase Frequency	6	12.592	13.253	Rejected
Occupation and Purchase Frequency	6	12.592	21.594	Rejected
Monthly Income and Price Target	6	12.592	26.932	Rejected
Education and Price Target	8	15.507	27.723	Rejected

It could be ascertained from the above table-5 that the socio-economic background of respondents like gender, age and occupation have been checked with purchase frequency of the consumers and monthly income and educational qualification have been checked with the price target of the product. Perhaps it will be recognized from the above table that null hypothesis for all cases have been rejected and accept the contrary alternate hypothesis. The calculated chi-square value is more than table value at 5% level of significance in chi-square test. Hence it is concluded that there is a relationship exists between socio-economic background of consumers and their purchase frequency/price target.

7. CONCLUSION

It is concluded that FMCG personal care product sector is growing in an increased manner. This sector aims to maintain top priority in the purchase budget of consumer by providing quality product at reasonable price. The majority position socio-economic background of respondents shows that 51% are male, 43.5% are in 18-25 years of age, 50.5% are earnings falls in 10,001-25,000 per month, 36% are under graduate degree holders. 54% of respondents are married, 34% of respondent are student in occupation, 48% of respondents are purchasing at regular interval, price target is low priced to 42.5% of respondents and 61% respondents are purchasing personal care product in urban areas.

Consumer behavior is largely affected by product specific factors like place, price, product and promotion. In addition to that personal factors like psychology factors and people influences also having impact on the consumer behavior. It was loaded with forty-three components and explains 76.491% of variations in data. The trustworthy of data has been checked and verified in multiple linear regression analysis. The consumers are satisfied with product specific factors like package, range, quality, price, flavor and so on. Consumers expect low and constant price, satisfied customer service, freebies offer, high quality, and comfort in use, long-life and freshness from the personal care product. The socio-economic background of consumers tested with purchase frequency and price target and rejects null hypothesis. This study has been successfully completed and helped to understand the consumer behavior regarding the personal care product. It clears from the study that FMCG attain a major role in the consumer goods market the manufacture as to present quality goods.

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