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A STUDY ON FACTOR INFLUENCING BRAND PREFERENCE OF FAST MOVING CONSUMER GOODS IN KANYAKUMARI DISTRICT

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Abstract

This study delves into the preference on Fast-Moving Consumer Goods (FMCG) products within the dynamic market of Kanyakumari District. Employing a combination of techniques, the research combines quantitative and qualitative elements analyses to assess the relationship between consumer perception, and sales performance to know the brand preference of FMCG. Through surveys, interviews, and data analysis, the study aims to elucidate the consumer behaviour in study area to know the brand preferences. Furthermore, it seeks to identify the most effective strategies employed by FMCG companies to capture the attention of the local populace and drive sales. The fast-moving consumer goods (FMCG) market is highly competitive, with multiple brands fighting for consumer attention and loyalty. Understanding the elements influencing brand preference in this industry is critical for organisations looking to achieve a competitive advantage. The purpose of this study is to look into the elements that influence customers' brand preferences for FMCG products. The study was conducted 150 consumers of FMCG products in Kanyakumari district. Statistical tools used in the study are percentage analysis and chi- square test. The findings reveal that a variety of factors influence brand preference for FMCG products, including product quality, pricing, packaging, advertising, and reputation. The survey found that product quality and price are the most important determinants of brand preference, followed by packaging and promotion.

Keywords: Brand Preference, FMCG Products, Buying Behaviour FMCG Sector and Quality Products

INTRODUCTION

Fast moving consumers goods or consumer packaged goods have its presence in everyone's day –to-day life. These items are sold quickly having short shelf life. These products include non durables such as soap, shampoo, toiletries, cosmetics, food items, pharmaceuticals, consumer electronics etc. This product operates at low profit margin. Indian FMCG sector is the major contributor to Indian economy. FMCG sector in India is witnessing tremendous growth over the years. India is having a vast untapped rural market, increasing literacy, income level and life style in increasing awareness among rural customers. It is creating ample opportunity for investment in rural sector. Now customers

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are becoming more conscious regarding brand to elevate their social status, they are ready to experiment new brands. Companies are also launching new products to match dynamic expectations of the customer. In the emblematic marketing era FMCG companies are not only selling their product in the market but also adopting 360 degree strategy to gain customers and market share. They are focusing on factor which influences customer preferences.

Consumers are more loyal to brands that provide high-quality products, distinctive value propositions, and consistent brand experiences. A brand preference survey for FMCG items can provide significant insights into customer behaviour, preferences, and attitudes towards various brands. This information can be used to guide marketing strategy, product development, and brand positioning Companies have understood the importance factor influencing preferences of customers. Companies are now offering online grocery store with home delivery where customers can order the product and gather information regarding the product. Customer associate brand with the quality of product, therefore companies are paying attention on maintaining the quality of product along with packaging, color and other attributes. Brand choice plays an important role in determining a company's success in the FMCG market. Consumers are more loyal to brands that provide high-quality products, distinctive value propositions, and consistent brand experiences. A brand preference survey for FMCG items can provide significant insights into customer behaviour, preferences, and attitudes towards various brands. This information can be used to guide marketing strategy, product development, and brand positioning.

IMPORTANCE OF FMCG IN THE ECONOMY

The Fast-Moving Consumer Goods (FMCG) industry is a crucial part of the global economy, significantly contributing to a country's Gross Domestic Product (GDP) and job creation. As a key driver of consumer spending, FMCG plays an important role in various economic sectors, particularly retail and distribution, by generating demand for various products and services. Here are some ways the FMCG industry contributes to the economy:

1. Economic Growth and Employment

The FMCG sector is a primary source of employment, providing millions of jobs across the supply chain, including manufacturing, distribution, retail, and marketing. As a labor-intensive sector, this industry contributes to economic growth by creating direct and indirect employment opportunities, helping to reduce unemployment rates and boost overall productivity.

2. Driving Retail and Distribution Growth

FMCG products' play a crucial role in the growth of the retail and distribution sectors, generating a steady demand for various products. The high volume and quick turnover encourage retailers and distributors to invest in infrastructure, technology, and workforce development, further supporting economic growth.

3. Tax Revenues for Governments

The FMCG sector generates significant government tax revenues through sales, value-added, and corporate taxes. These revenues are essential for funding public services, infrastructure projects, and social programs, contributing to economic development and stability.

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4. Supporting Ancillary Industries

The FMCG industry has strong linkages with various ancillary sectors such as packaging, advertising, logistics, and transportation. The growth and success of these industries are often dependent on the performance of the FMCG sector, creating a multiplier effect on the economy.

TYPES OF FMCG PRODUCTS

FMCG products can be broadly categorized into three main segments:

- **Food and beverages**: This segment includes packaged foods, snacks, dairy products, carbonated and non-carbonated beverages, and alcoholic drinks.
- **Personal care and toiletries**: This segment comprises cosmetics, soaps, shampoos, skincare items, and oral care products.
- **Household and cleaning items**: This segment covers cleaning supplies, laundry detergents, insecticides, and other essential household items.

OBJECTIVES OF THE STUDY

1. To study factors influencing customer preferences for FMCG products
2. To examine the relationship between consumer demographics and brand preference in the FMCG sector.
3. To provide valuable suggestion of brand loyalty based on consumer preference and buying behavior.

STATEMENT OF THE PROBLEM

As competition in the fast-moving consumer goods (FMCG) business heats up, producers and marketers are increasingly concerned about consumer brand loyalty. Fast moving consumers goods operate at low cost. Intense competition in FMCG sector compels the marketers to introduce innovative products. The marketing strategy adopted by the companies is focused towards gaining new customers and maintain existing customers for sustaining in the market for the long –run. The marketers design the market segmentation plan with the future oriented approach. Factors influencing customers regarding their preferences is given due consideration to capture the market. Demographical segmentation divides the market into homogenous groups and the factor influencing these groups varies. A need is identified for the research study regarding the influence of factors on customer preferences. The study will look at how product quality, packaging, pricing, advertising, and brand reputation influence consumer preferences for various FMCG brands.

RESEARCH METHODOLOGY

The study was made in the Kanyakumari district to identify the factors influencing to prefer branded FMCG products with the sample size of 150. Convenience sampling has been adopted to collect the responses through questionnaire.

RESEARCH HYPOTHESIS

Ho^1: There is no difference in factor influencing customer preferences for FMCG products and across place for residence in Kanyakumari District of Tamil Nadu.

Ho^2: There is no association between place for residence and overall price of FMCG in Kanyakumari District of Tamil Nadu.

This hypothesis is to be tested regarding FMCG brands considered in the study

TOOLS FOR ANALYSIS

The tools used in the study are.

1. Percentage Analysis
2. Garrett Ranking
3. Chi-square Test

RESULT AND DISCUSSION

1.PERC TABLE 1: INFORMATION ABOUT BRANDED FMCG GOODS ENTAGE ANALYSIS

Information about FMCG	No. of Frequency	Percentage
Friends & relatives	30	20
News paper	12	08
Magazines	14	09
Internet	45	30
Television	39	26
Outdoor advertisement	10	07
Total	150	100

Source: Primary Data

TABLE 2: Reasons for Making Purchase In Your Preferred Stores

Preferred stores	Number of frequency	Percentage
Discount	20	13
Variety	25	17
Ambience	15	10
Proximity	16	11
Service	74	49
Total	**150**	**100**

Source: Primary Data

TABLE 3: OVERALL PRICE OF THE FMCG GOODS

Overall quality of the FMCG goods	Number of frequency	Percentage
Excellent	42	28.0
Good	58	38.7
Normal	25	16.7
Poor	15	10.0
Very poor	10	6.7
Total	150	100

Source: Primary Data

TABLE 4: IMAGE OF BRANDED PRODUCTS IS BETTER THAN UNBRANDED PRODUCTS

Image of Branded products is better than unbranded products	Number of frequency	Percentage
Yes	120	80
No	30	20
Total	150	100

Source: Primary Data

2) GARRETT RANKING

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TABLE 5: LEVEL OF SATISFACTION ON QUALITY OF FMCG GOODS

Level of Satisfaction	No of Frequency	Percentile Position	Garrett Score	Garrett Rank
Highly satisfied	30	20	60	II
Satisfied	75	50	75	I
Neutral	25	17	50	III
Dissatisfied	15	10	40	IV
Highly dissatisfied	5	3	25	V
Total	150	100		

3) CHI-SQUARE TEST

i) **Ho¹:** There is no difference in factor influencing customer preferences for FMCG products and place for residence in Kanyakumari District of Tamil Nadu.

Table 6: **Customer preferences for FMCG products and place for residence (Chi square Test)**

Variables	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.356	5	.002
Likelihood Ratio	19.356	5	.002

Source: Primary Data Level of Significant @5%

Table 6 exhibits that the value of Chi square is .002 which is smaller than critical value (.05). Thus it rejects null hypothesis and reveals that there is a significant difference between factors influencing customer preferences and place of residence for FMCG in Kanyakumari District.

ii) **Ho²:** There is no association between place for residence and overall price of FMCG in Kanyakumari District of Tamil Nadu.

Table 7

Place of residence and overall price of the FMCG goods (Chi-square)

Variables	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.057	4	12.9
Likelihood Ratio	11.057	4	12.9

Source:Primary data

Table 7 exhibits that the value of Chi square is .002 which is smaller than critical value. Thus it rejects null hypothesis and reveals that there is a significant difference between place of residence and overall the price for FMCG in Kanyakumari District.

FINDINGS OF THE STUDY

The study on factor influencing customer preferences of FMCG in Kanyakumari District has several findings:

i) Product quality is the most crucial factor which influences customer preferences for FMCG in the study area.

ii) Brand name and price factors have equal influence on customers.

iii) Brand name is more influential as compared to price.

CONCLUSION

The study on FMCG product brand preferences demonstrates that consumers' preferences for certain brands are influenced by a complex interplay of factors such as product quality, price, packaging, and brand image. Our findings indicate that while customers are loyal to specific brands, they are also willing to test new items and brands if they sense value and quality. Our findings emphasize the importance of product quality and perceived value in determining brand preference. Consumers tend to prefer brands that are regarded to deliver high quality products at a competitive price. Furthermore, our findings reveal that there is no association between place of the residence and price with preference

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