



A STUDY ON RURAL CONSUMERS AWARENESS AND BUYING BEHAVIOUR OF FAST MOVING CONSUMER GOODS [FMCG] WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

Dr. D. T. Venkatakrishnan

Assistant Professor of Commerce, Government Arts and Science College,
Kangayam, Tamilnadu

Cite This Article: Dr. D. T. Venkatakrishnan, "A Study on Rural Consumers Awareness and Buying Behaviour of Fast Moving Consumer Goods [FMCG] With Special Reference to Coimbatore District", *International Journal of Current Research and Modern Education*, Volume 2, Issue 2, Page Number 106-110, 2017.

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Abstract:

Fast Moving Consumer Goods have become a basic necessity in human life. In this paper, an attempt has been made to find out the rural consumers awareness and buying behavior towards FMCG. A sample of 200 respondent's was randomly selected from Coimbatore District. The selected samples are analyzed using chi-square test, correlation analysis test. It is found that three variables namely gender, type of family, monthly income is found to be significant association with consumer awareness towards FMCG products. The study also finds that occupation; monthly incomes have significant association with consumers buying behavior towards FMCG Products.

Key Words: Consumer, Awareness, FMCG, Products, Buying & Behaviour

Introduction:

'Fast moving' implies that the items are quick to leave the shelves and also tend to be high in volume but low in cost items. The products are essential items that we use day to life. FMCG goods are popularly known as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals.

Rural areas expected to be the major driver for FMCG, as growth continues to be high in these regions. Rural areas achieved a 16 per cent, as against 12 per cent rise in urban areas. Most companies rushed to capture the market on this, as they quickly went about increasing direct distribution and providing better infrastructure. FMCG Companies are working towards creating specific products specially targeted for the rural market.

The Government of India has been supporting the rural population with higher minimum support prices (MSPs), loan waivers, and disbursements through the National Rural Employment Guarantee Act (NREGA) programme. These measures taken by the government have helped in reducing poverty in rural India and given a boost to rural purchasing power.

History of FMCG in India:

In India, companies like ITC, HLL, Colgate, Cadbury and Nestle have been a dominant force in the FMCG sector well supported by relatively less competition and high entry barriers. These companies were, therefore, able to charge a premium for their products. In this context, the margins were also on the higher side. With the gradual opening up of the economy over the last decade, FMCG companies have been forced to fight for a market share.

Characteristics of FMCGS:

- ✓ From the consumers' perspective:
 - Frequent purchase
 - Low involvement
 - Low price
- ✓ From the marketers' angle:
 - High volumes
 - Low contribution margins
 - Extensive distribution networks
 - High stock turnover

Major Categories in FMCG Sector:

The following are essential goods that are needed to the human in today's environment:

- ✓ Household care fabric, bath soap, laundry soap, and synthesis detergent;
- ✓ Household cleaner, V Dish/ wash cleaners, toilet cleaners, mosquito repellents;
- ✓ Cake, biscuit, chips, chocolate, ice cream, tea, coffee;
- ✓ Soft drink, branded rice, canned fruits;
- ✓ Vegetables, dairy products, personal care product, oral, hair, skin care product etc.

- ✓ Shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and extends to certain electronic goods.

Review of Literature:

Anilkumar N and Jelsy Joseph (2014) reveals that rural markets and sub-urban markets are now expanding in Kerala with ever greater penetration index in the urban markets. In this study, rural & sub urban areas of Ernakulam with a sample size of 100 respondents. The study intends to identify the level of influence of various factors on the purchase of FMCG products-soaps & detergents among the rural/ semi urban consumers. The study emphasized that rural consumers gave more importance to the ‘quality’ of the FMCG-personal care brands they bought rather than the normative influences or social appeal vide celebrity endorsements in the mass media.

Akash S Savalasang (2014) examined the current status of Indian rural marketing in present economic scenario. It analysed the problems prevail in the rural marketing. Due to the media explosion and increasing literacy levels, people in rural areas are becoming conscious about their lifestyles and demanding a better life. With increasing disposable incomes, the rural consumer has become more demanding & choosier in his purchase behaviour than ever before. Brand consciousness is on the rise and marketers have realized this. As urban markets are getting saturated for consumer goods, marketing executives are fanning out and discovering the strengths of large rural markets.

Shashank Singh Chauhan, Dr. V. B. Singh (2016), revealed that an attempt to identify various factors that influence the buying decision of consumers who plan to purchase and or used bath soap. The field of consumer behavior is the study of individual, group, organization and the process is used to select, secure, use and dispose of products and services that satisfy their needs. The Indian soap industry includes about 700 companies with combine annual revenue about \$17 billion and also spread all the major metropolitan cites. In India, per capita consumption of soap is at 460 gm. per annum. T h e Indian market capitalization of bath soap industries is 70% of India's population resident in rural area and 50% soaps are sold in rural market. To attain this objective, a survey was developed and administered across some part of Uttar Pradesh.

Need for the Study:

The investigate the rural consumer awareness towards FMCG products and to know consumers buying behavior towards FMCG Products in Coimbatore District

Objectives of the Study:

- ✓ To identify the consumers awareness towards fast moving consumer goods with special reference to Coimbatore district.
- ✓ To determine consumers buying behaviour towards fast moving consumer goods.

Research Methodology:

Coimbatore District is the study area selected for this research. Primary data is collected through well-structured questionnaire. A sample of 200 rural consumers using FMCG products in Coimbatore District have been selected by random sampling method. The collected information were reviewed and consolidated into a master table. For the purpose of analysis the data were further processed by using statistical tools. The statistical tools are

- ✓ Simple Percentage
- ✓ Chi-Square Test
- ✓ Friedman Ranking Test
- ✓ Correlation Analysis

Limitations of the Study:

- ✓ The study is restricted to the selected sample of Coimbatore District and hence the result of the study cannot be generalized.
- ✓ The statistical methods used to analyze the data have their own limitation.
- ✓ All the limitations of primary data are applicable to this study.

Analysis and Interpretation:

1.1 Demographic Profile of the Respondents: Table no.1 describes the demographic profile of the rural consumers towards FMCG are taken for the study. Out of 200 respondents who were taken for the study: it has been identified that most (63.5%) of the respondents are female, (53.5%) whose age group is under 26 to 50 years, most (74%) of the respondents are graduates, (68.5%) respondents have nuclear family, maximum number (38%) of respondents are house wife, the monthly income of (78%) respondents is up to Rs.10,000.

Table 1: Demographic Profile of the Respondents

Factors	Number of Respondents N=200	Percentage
Gender		
Male	73	36.5
Female	127	63.5
Age (Years)		
Up to 25	76	38

26 to 50	107	53.5
Above 50	17	8.5
Educational Qualification		
Up to School Level	35	17
Graduate	147	74
Professional	18	9
Occupation		
Agriculture	38	19
Employee	49	24
Professional	24	12
Business	13	7
House Wife	76	38
Type of Family		
Joint Family	63	31.5
Nuclear Family	137	68.5
Monthly Income		
Up to Rs.10000	155	78
Rs.10000 to Rs.25000	38	19
Above Rs.25000	7	3

1.2 Buying Behavior of the Respondents: Table no.2 describes the buying behavior of the rural consumers towards FMCG. Out of 200 respondents who were taken for the study: it has been identified that most (47%) of the respondents buy their FMCG products monthly, (43%) of the respondents buying behavior was influenced through Social Media, most (90%) of the respondents are buy their FMCG products in Wholesale Shops, (28%) respondents are attracted through price of the FMCG products and maximum number (56%) of respondents spend below 1 hour for their shopping.

Table 2: Buying Behavior of the Respondents

Factors	Number of Respondents N=200	Percentage
Frequency of Buying FMCG		
Daily	52	26
Weekly	54	27
Monthly	94	47
Factors Influence		
Family	44	22
Friends	68	34
Social Media	86	43
Place of Shopping		
Retail Shops	32	16
Wholesale Shops	90	45
Departmental Stores	78	39
Reason		
Price	56	28
Place	34	17
Quality	22	11
Brand	40	20
Durable	48	24
Time Spent		
Below 1 hr	112	56
Above 1 Hr	88	44

Table 3: Relationship between Demographic Profile and Consumer awareness towards FMCG Products of the Respondents

Variables	χ^2 Value	Table Value	Remarks
Gender	6.534	5.991	S
Age	2.496	9.488	NS
Educational Qualification	7.178	9.488	NS
Occupation	18.515	15.507	NS
Type of Family	6.135	5.991	S
Monthly Income	10.765	9.488	S

* Significant at 5% percent level

1.3 Relationship between Demographic Profile and Consumer awareness towards FMCG Products of the Respondents: Table no.3 depicts the relationship between selected demographic variables and the consumer awareness towards FMCG products of the respondents. It is clear that , the calculated Chi-square value is less than the table value at five percent level, there does not exists any significant association between age, educational qualification, occupation and consumer awareness towards FMCG products of the respondents. Thus the null hypothesis is accepted. It is clear that, the calculated Chi-square value is greater than the table value at five percent level, there exists a significant association between gender, type of family, monthly income and consumer awareness towards FMCG products of the respondents. Thus the null hypothesis is rejected.

Table 5: Consumers Buying Behaviour– Friedman Rank Test

Factors	Average Rank	Rank
Low Price	5.26	1
Quick Delivery	4.05	6
Quality	4.69	3
Shop Convenience	4.36	5
Discounts/ Offers	5.24	2
Variety of Choice	4.46	4

The above table shows about the Friedman Rank Test for consumers buying behavior of FMCG products were the level of significance is at 0.000 which shows that there is a relationship between the ranks given. It shows that low price was the first preference factor of the respondents to buy FMCG products. Discounts/offers was ranked as the second factor to buy FMCG products, Quality was ranked as third factor, Variety of Choice was ranked as fourth factor, Shop convenience was the fifth factor and Quick delivery was the sixth factor which was preferred by the respondents to buy FMCG products.

Table 6: Consumers Buying Behaviour Associated With Demographic Variables- Correlation Analysis

Factors	R	r ²
Gender	0.019	0
Age	0.022	0
Educational Qualification	0.038	0.001
Occupation	0.061*	0.02
Monthly Income	0.199**	0.04
Type of Family	0.049	0.002

* Significant at five per cent level ** Significant at one per cent level

- ✓ **Occupation:** Correlation analysis indicates that these two variables are positively correlated indicating that buying behaviour is more with respondents who are employees. The coefficient of determination (r^2) shows that occupation accounts for 2 per cent of the variation in the level of risk at five percent level of significance.
- ✓ **Monthly Income:** The correlation analysis shows that these two variables are positively correlated indicating that as the monthly income increases the level of risk of the respondents also increases. The coefficient of determination (r^2) shows that monthly income of the respondents account for 4 percent of variations in the level of risk at one percent level of significance.

Findings of the Study:

- ✓ Majority of the consumers are female whose age is between 26 to 50 years.
- ✓ Majority of the consumers are house wife and most of them are graduates.
- ✓ Using Chi-square it is found that there exists a significant association between gender, type of family, monthly income and consumer awareness towards FMCG of the respondents.
- ✓ Using Friedman Ranking test it is found that low price was the first preference factor of the respondents to buy FMCG.
- ✓ Using Correlation analysis, it is found that occupation and monthly income have an association with consumers buying behavior of FMCG.

Conclusion:

Today, in India, there are nearly 400 million consumers with different taste to buy their needed products. The research concludes that the buying behavior of a rural consumer have an association with awareness. The consumers have diverse tastes and preferences which problem for the marketers. They are able to realize the need of the product and suitable information sources of the product. Rural consumers are able to collect information of the product through Radio, Television, Newspaper advertisements. The financial back round of the rural consumer plays a vital role in determining the buying behavioral aspect for selecting FMCG. Once rural consumers needs are taken into consideration with a sharper focus on good business ethics in fast moving consumer goods product that in turn benefit both companies and consumers.

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