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Brand preference of FMCG products: A micro level evidence from Dhamtari district Chhattisgarh

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Abstract

Branding is a critical marketing system which motivates customer's perspective and purchasing behavior on time basis. Understanding customer purchasing practices will give promoters a close research how important for the marketers is to know the fundamental relationship the customer has with the brand. Along these lines, therefore, the research shares these issues into number of extents to consider that there is any association between customers buying behavior. With this backdrop the study entitled "Brand preference of FMCG products: A micro level evidence from Dhamtari District Chhattisgarh" was undertaken to investigate the buying pattern of consumers, the factors affecting the buying behaviour of consumers towards FMCG products and their decision making process, their level of satisfaction according to the attributes like price, quality, free offers, packaging, replace facility, quantity, availability, variety, purchase experience with sregard to FMCGs. Despite global uncertainties, India's FMCG market stands tall with a forecasted growth of 7-9% for the full year 2023. Pressure on the consumers and low confidence levels and high unemployment rate could act as headwinds combined annual sales in this sector grew at 22.5% in last 5 years. Annual net profit grew at 16.5% in last 5 years.

Keywords: FMCG products, brand preference, consumer buying behaviour

Introduction

Fast-moving consumer goods are products that sell quickly at relatively low cost. These goods are also called consumer packaged goods. FMCGs have a short shelf life because of high consumer demand (e.g., soft drinks and confections) or because they are perishable (e.g., meat, dairy products, and baked goods). These goods are purchased frequently, consumed rapidly, priced low, and sold in large quantities. They also have a high turnover when they're on the shelf at the store. Consumer goods are products purchased for consumption by the average consumer. They are divided into three categories: durable, nondurable, and services. Durable goods have a shelf life of three years or more, while nondurable goods have a shelf life of less than three years. Fast-moving consumer goods are the largest segment of consumer goods. They fall into the nondurable category, as they are consumed immediately and have a short shelf life. Nearly everyone uses fast-moving consumer goods (FMCG) daily. They are the small-scale consumer purchases we make at the produce stand, grocery store, supermarket, or warehouse outlet. Examples include milk, gum, fruit and vegetables, toilet paper, soda, beer, and over-the-counter drugs like aspirin. Globally, India is becoming one of the most attractive markets for foreign FMCG players due to easy availability of imported raw materials and cheap labour costs.

Objectives of the Study

- 1. To identify major FMCG products including household care, food and beverages consumed by the consumers in the study area.
- 2. To examine the brand preferences of consumers for FMCG products on the basis of their demographic characteristics.

Methodology

Exploratory research design is used for conducting this study. The survey was conducted in Dhamtari district. For the purpose of the study 100 respondents have been chosen in Dhamtari district. By using convenient sampling technique. The questionnaire was prepared and administered in person to all the respondents. The study has used both the primary data and secondary data. Secondary data were collected through various journals, magazines, reports and newspapers. The tools used to analyze the data are Simple Percentage, chi square test.

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Sampling Procedure

The sample for the study was chosen using a random sampling procedure. To choose the retail shop, Villages, and Respondents for the study, a random sampling process was used to choose the district and block.

a) Selection of the district: Dhamtari district was selected

purposively for study.

- **b) Selection of blocks:** Among four blocks present in Dhamtari district; Dhamtari and Kurud was selected for study.
- c) Selection of villages

Block	Dhamtari		Ku	Total	
Villages	Loharsi	Khartuli	Khapri	Darra	
Total respondents		25%	25%	25%	100%
Number of respondents (retailers)	5 (1.25%)	5 (1.25%)	5 (1.25%)	5 (1.25%)	20 (5%)

A preliminary survey of the selected villages was carried out at the beginning of the following aspects. 100 respondents were randomly selected. and no of respondents retailers 20 was selected.

Collection of data: In order to test the hypothesis of the study, data was collected from both primary and secondary sources.

Primary data: Primary data regarding socio-economic characteristics like household size, age, income, gender, occupation, education, brand preference, purchase behaviour and consumer loyalty were collected by personally interviewing the respondents using a structured questionnaire which was pre-tested and redefined.

Secondary data: The secondary data on major companies of FMCGs, products and brands of companies in different categories were collected from internet, magazines, case studies and published sources.

Analytical tools and techniques employed

The methods of statistical analysis employed in the present study are elaborated under the following headings

- 1. Chi-square
- 2. Percentage method

Chi-square X²-non-parametric test

Chi-square is one of the most frequently used tests. Chisquare describes the magnitude of discrepancy between the theory and observation. The procedure to use this test is as under: It is expressed as:

Chi-square, $X^2 = (0-E)^2 / E$

Where:

0 = Observed frequencies E = Expected frequencies

Steps involved in calculation of the Chi- Square:

• Calculation of the expected frequencies by the formula E = (RT*CT/N)

Here,

RT= Row Total
CT- Column Total

N= Total number of observations.

Thus it was assumed that observed frequencies were in a matrix of rows and colwnns. Calculation of (O-E)² This was done to know the difference between expected and observed frequency.

•X2 Cal.

Was calculated by the afore mentioned formula, then we took tabulated value of x^2 at the degree of freedom relevant to matrix and 5% level of significance.

If x^2 cal.> x^2 tab. Is reject the null hypothesis. If x^2 cal. < x^2 tab. Is accept the null hypothesis.

Result and Discussion

This chapter discusses consumer preference, examination of factors influencing consumer preference and degree of satisfaction with relation to FMCGs, statistical analysis of data, and interpretation of the results. Keeping in view the specific objectives the results are presented under following headings:

- To identify major FMCG products including household care, food and beverages consumed by the consumers in the study area.
- To examine the brand preferences of consumers for FMCG products on the basis of their demographic characteristics.

1. To identify major FMCG products including household care, food and beverages consumed by the consumers in the study area.

FMCG products including house hold care, food and beverages consumed by consumers in the study area in total no of respondents 100 have taken. In which there are some respondents who use different products of the same brand and products of different brands together.

Fabric products: Under fabric products, HUL (Hindustan Unilever), P & G, (Procter and Gamble) Nirma brand comes in which the most used brand is HUL followed by P & G and Nirma. Under HUL there are 4 product categories Wheel, Surfacexel, Sunlight Rin & Comfort in which most used the leading products are Wheel and Rin & Comfort with no. of respondents 20-20 respectively followed by Sunlight with no of respondents 16 and Surf Excel with no of respondents 15. P&G comes under this 2 products Ariel and Tide with no. of Respondents 18 and 16 respectively followed by Nirma brand with 35 no. of Respondents. Thus the most used brand is HUL.

Table 1: List of FMCG products, house hold care and food and beverages consumed by the consumers in the study area

S. N.	House hold care products	Brand name	FMCG products category	Number of respondents (%)
			Wheel	20
		HUL (Haindustan Unilever)	Surf excel	15
			Sunlight	16
1.	Fabric care		Rin & Comfort	20
		P&G	Ariel	18
			Tide	16
		Nirma	Nirma	35
		HUL	Vim	35
2.	Dish washing	Reckitt Benkiser	Finish	29
		Nirma	Nirma	34
			Dettol	40
3.	Surface care	Reckitt Benkiser	Colin	20
٥.	Surface care		Lizol	34
		HUL	Cif	10
		Reckitt Benkiser	Harpic	36
4.	Toilet care	HUL	Domex	29
		Dabur	Suni Fresh	35
S. N.	Food products	Brand name	FMCG products category	Number of respondents (%)
	Food staples	HUL	Annapurna	19
		ITC	Aashirvaad	18
1.		Dawat Basmati Rice	Rice	16
		Organic India	White Basmati Rice, Arhar Dal, Wheat dalia	15
		Patanjali	Dalia, Oats, Maida, Sooji, Katarani Rice	20
		Britannia	Biscuits, Breads, Dairy, Cakes, Rusk	25
2.	Baked		Parle -G Gluco, Magix Crème, Hide & Seek Milano	28
۷.		ITC	Cookies ,Cream Biscuits, Tea Time Biscuits	20
		Patanjali	Marie, Cashew Cookies, Nariyal Biscuits	30
		Coca-cola	Coca-cola	35
		Pepsi	Pepsi	25
		Sprite	Sprite	35 29 34 40 20 34 10 36 29 35 Number of respondents (%) 19 18 16 15 20 25 10 25 10 28 20 30 30 35 27 20 30 30 38 20
3.	Soft Drinks	Thums up	Thums up	20
٥.	Soft Drinks	Fanta	Fanta	30
		Mazza	Mazza	38
		7UP	7UP	20
		Mirinda	Mirinda	34
		Dabur	Real	40
4.	Fruit Drinks /Juices	Pepsico	Tropicana	22
		ITC	B- natural	38

Dish washing: Under dish washing comes the products of Hul, Reckitt benkiser, Nirma brand. In which the most popular brand is HUL. HUL Vim products are most commonly used in dish washing. In which the number of no. respondents is 35 and the least used brand is Finnish products of Reckitt Benckiser with 29 no. of respondents.

Surface care: Surface care comes under 2 brands, Reckitt Benckiser and HUL, out of which 4 products come under Reckitt Benckiser, Dettol, Lizol, Colin, in which the most used products are Dettol, which has no. of respondents 40, followed by lizol, which has no. of respondents 34 and the least respondent is from Colin. Cif Products comes under HUL in which no. of Respondents is 10.

Toilet care: Reckitt Benckiser, HUL, Dabur brands come under toilet care, in which the most used brand is Reckitt Benckiser's Harpic products with no. of Respondents 36, followed by Sunifresh products of Dabur with no. of Respondents 35 and the least used. The brand is Domex Products by HUL to which no. of respondents is 29.

Food staples: Under food staples, there are brands of Hul, Itc, Dawat, Organic India, Patanjali, in which the most used brand is Patanjali, the products of Patanjali are used the most, in

which there are no. of respondents 20, followed by Hul products, in which there are no. of respondents 19. After this Itc products come in which no. of respondents is 18, after that Dawat no. of respondents is 16 and the lowest no. of responders are found in Organic India which has only 15 respondents.

Baked products: Under baked products Britannia, Prale, ITC, Patanjali brands come, in which the most used brand is Patanjali, Patanjali has many baked products like, marie, cashew cookies, narial biscuits, which has 30 no. of respondents, followed by Parle brands products in which no. of Respondents is 28, followed by Britannia's products in which no. of Respondents are 25 and the least respondents are of ITC only 20 respondents are found of ITC products.

Soft Drink: There are many brands under soft drinks such as coca cola, pepsi sprite, thums up, fanta, mazza 7up mirinda in which the most used brand is mazza with no. of respondents 38 followed by coca cola with no. of respondents 35 It is followed by Mirinda with no. of Respondents, Fanta with 30 no.of Respondents, and Sprite with 27 no. of Respondents and Pepsi with 25 and thumsup with 20 respondents.

Fruit Juice: Under fruit juice comes Dabur, Pepsico, Itc,

brands in which the most used brand is Dabur, Dabur's Real Juice with no. of responders 40, followed by Itc B-Natural with no. of responders 38, then Pepsico Tropicana in which no. of respondents, 22.

2. To examine the brand preferences of consumers for FMCG products on the basis of their demographic characteristics

Table 2: Gender-wise classification

S. N.	Gender	Number of Respondents (%)
1	Male	45
2	Female	55
	Γotal	100

Table 3: Age status of respondents

S. N.	Age status	Number of respondents (%)
1.	18-28years	24
2.	29-38years	30
3.	39-49years	20
4.	Above 49 years	26
	Total	100

Table 4: Marital status of respondents

S. N.	S. N. Marital status			Number of respondents (%)
1	Married	Male	28	60
1		Female	32	00
2	Unmarried	Male	19	40
2		Female	21	40
	Total			100

Table 5: Qualification status of respondents

S. N.	Qualification status	Number of Respondents (%)
1	Matriculation	30
2	Senior Secondary	20
3	Graduation	20
4	PG and above	30
Total		100

Table 6: Income status of respondents

S. N.	Monthly income (RS)	Number of Respondents (%)
1	Below 25000	25
2	26000-50000	30
3	51000-75000	25
4	More than 75000	20
	Total	100

It is clearly revealed from the above tabulated and graphical representation that among the total sample respondents, 55% were female and 45% were male. Mostly females take decision about FMCG products. Thus considering this fact data was collected from females. According to the above table, 40% of respondents are between the ages of 39 and 4.8 years, while 28% are between the ages of 29 and 38 years. However, 10% belong to the 18-29 age group and 22% to the over-49 age group. It may be said that people between the ages of 39 and 48 were more likely to give information on how branding on FMCG products affected their purchasing decisions. According to the tabular representations above, out of the sample's total respondents, 60% were married and 40% were single. According to the table and graph above, 34% of respondents have a senior secondary education, whereas 26% have a PG or higher education. However, 25% of respondents are graduates, followed by 20% of respondents with matriculation backgrounds. It can be said that respondents with backgrounds in senior secondary were more likely to offer information According to the table and graph above, 30% of respondents were employed, while 34% were householders. However, only 4% of respondents are employed, and 22% of respondents are independent contractors. It may be said that the majority of respondents who were employed tended to provide information above table depicts the profile of the respondents with respect to monthly income. The table indicates that out of total sample respondents 25% have monthly income below 25,000 again 30% respondents have monthly income between 26,000-50,000. However, 25% respondents have monthly income more than 75,000 followed by 20% respondents who have monthly income between 5 1,000-75,000.

Table 7: Relationship of brand preferences for FMCG products with age status of respondents

S.N.	Brand preference/ Age		29-38	39-28	Above 49	Total
1.	Promotional schemes	24	20	12	13	71
2.	Price and discount	24	17	15	16	72
3.	Popularity of brand & company associated	15	14	20	18	67
4.	Product feature	18	15	14	11	58
	Total	81	66	61	58	266

We have only taken into account major brand preferences due to which the total respondents are not 100.

Applying chi-square test

 H_0 (Null Hypothesis): There is no significant relationship of brand preferences for FMCG products with age status of respondents.

H₁ (Alternate Hypothesis): There is a significant relationship of brand preferences for FMCG products with age status of respondents.

Calculated value =6.8040173

Tabulated value = 16.919 Degree of freedom = (r-l) (c-1) = (4-l) (4-1) = 9 Level of significance at 5%> or 0.05

The chi-square test showed that the calculated value (CV) = 6.8040173 and the tabulated value (TV), at 5% significance level and 9 degrees of freedom, is 16.919, respectively. As a result, the estimated value is lower than the tabulated value. By accepting the null hypothesis (Ho) and rejecting the alternate hypothesis (H1), it is made abundantly evident that there is no meaningful connection between respondents' brand preferences for FMCG products and their ages.

Table 8: Relationship of brand preferences for FMCG products with educational qualification of respondents

S. N.	Brand preference/Qualification	Matriculation	Senior secondary	Graduation	PG and above	Total
1	promotional schemes & packaging	17	12	17	25	71
2	price and discount	28	11	16	11	66
3	popularity of brand & company associated with brand	10	19	23	25	77
4	product feature &quality	13	15	23	28	79
	Total	68	57	79	89	293

Applying chi-square test

Computation of chi-square for relationship of brand preferences for FMCG products with educational qualification of respondents in enclosed in Annexure II

We have only taken into account major brand preferences due to which the total respondents are not 100.

Applying chi-square test

H₀ (Null Hypothesis): There is no significant relationship of brand preferences for FMCG products with educational qualification of respondents.

H₂ (Alternate Hypothesis): There is a significant relationship of brand preferences for FMCG products with educational qualification of respondents.

Calculated, value=23.33308

Degree of freedom = $(r-1)(c-1) = (4\cdot1)(4-1) = 9$

Tabulated value= 16.919

Level of significance at 5% or 0.05

Applying the chi-square revealed that Calculated value (CV) = 23.33308, whereas Tabulated value (TV) at the significance level of 5% and degree of freedom of 9 is 16.919. Thus, calculated value is higher than tabulated value. Thereby it is clearly revealed that Null Hypothesis (Ho) is reject and Alternate Hypothesis (H2) is accept, stating that there is significant relationship of brand preferences of FMCG products with educational qualification of respondents.

Conclusion

The investigation produced the following findings. When examining consumer brand preferences for FMCG products in the retail sector, the demographic makeup of the respondents showed that married respondents made up the majority of the sample. The respondents' ages, from whom the majority of the data came, ranged from greater than 18 to over 48. By respondents in the age range of 39 to 48 years, followed by those in the age ranges of 29 to 38 years, 18 to 29 years, and those above 49 years. In terms of educational background, respondents with a senior secondary education contributed the majority of the data, followed by those with a graduate degree, matriculation, and a postgraduate education. As for where they lived, the majority of respondents came from urban backgrounds, while the remainder were from rural backgrounds. The respondents were identified as having one of the following occupational statuses: households, employed, self-employed, or retired, with the majority of the data coming from the households. The majority of responders have families with three to four individuals. It was noted that the majority of respondents had monthly incomes of less than Rs. 25,000, followed by respondents with incomes of Rs. 26,000 to Rs. 50,000, Rs. 51,000 to Rs. 75,000, and more than Rs. 75,000 per month. After examining consumer perceptions of brand preferences for FMCG products, it was found that customers tended to favour products that are visually

appealing. The majority of respondents thought that branding and product usage were related. The analysis demonstrates without a doubt that the majority of respondents are significantly influenced by the brands of FMCG products. And in terms of purchasing FMCG products, respondents were unconcerned about the price of the item because the majority of respondents preferred to buy that brand of the majority of respondents cited television as their primary information source, followed by newspapers and magazines, friends and family, sales representatives, and newspapers and magazines.

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