

## A CONCEPTUAL STUDY ON CONSUMER PREFERENCE ON BRANDED FMCG GOODS IN THE RETAIL MARKET

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### ABSTRACT

*This research paper aims to explore consumer preference on Branded of FMCG goods; As FMCG is a prospective market at present and future. For this purpose the researcher sourced data through review of literature from various journals in the selected area of research. It is found that the consumers prefer branded FMCG products because of quality, trust and sellers advice about the products and other factors.*

**KEYWORDS:** Rural Market, Modern Marketing begins with the Consumer

### INTRODUCTION

In today's competitive environment where the consumer has got tremendous choice for selecting brands, it is a very challenging task for a marketer to attract new and retain the old consumer. To accomplish this objective the marketer uses different types of marketing strategies to position their product in the mind framework of the consumer and establish their brand image in the market. Marketing strategies are a method of utilizing the marketing mix to satisfy and attract consumers to make a profit for the organization. The marketer should find out what the consumers wish to purchase and how much they are willing to pay. Modern marketing begins with the consumer, not with production, sales or technological advancements and last with the consumer satisfaction and social well-being. Under market-driven economy, buyer or consumer is the king. So it is necessary to know the consumer preferences on branded FMCG goods in the retail market.

### REVIEW OF LITERATURE

M. Shehbaz Qasim and Swati Agarwal (2015) "Consumer Behaviour towards selected FMCG (Fast Moving Consumer Goods) in Delhi NCR", this paper aims the consumers' attitude towards Non-Alcoholic Beverages. This study is started with objectives of examining socio-economic background of respondents, analyzing the factors influencing consumer preferences towards selected FMCG products (Non-Alcoholic Beverages), checking the level of satisfaction of consumers and knowing expectation of the consumers. This study reveals that consumer preferences are largely affected by age, sex, place, product, price, availability, psychological, people and brand influences.

Aggarwal (2014) suggested that Consumer behaviour research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Firms can satisfy those needs only to

the extent they understand their consumers. The main objective of this paper is to study the demographic differences in 37 consumers' buying behaviour of persons living in Madhya Pradesh and when they buy FMCG products. To attain this objective a survey was developed and administered across some part of Madhya Pradesh. The findings confirm the factors influencing consumer buying behaviour for tooth paste brands available in the market.

Deshpande, Gaddi & Patil (2014) suggested Indian retailers to increase their positioning by building their own brands. The study stressed upon the formation of a sound retail brand strategy.

Srivastava and Kumar (2013) analysed that FMCG sector is a vital contributor to India's Gross Domestic Product. It has been contributing to the demand of lower and middle income groups in India. Over 73% of FMCG products are sold to middle class households in which over 52% is in rural India. Rural marketing has become the hottest marketing arena for most of the FMCG companies. The rural India market is huge and the opportunities are unlimited. After saturation and cutthroat competition in urban areas, now many FMCG companies are moving towards the rural market and are making new strategies for targeting the rural consumer. The Indian FMCG companies are now busy in formulating new competitive strategies for this untapped potential market. Therefore, a comparative study is made on growth, opportunity, and challenges of FMCG companies in rural market.

Muneeswaran and Vethirajan (2013) revealed that Consumer behavior assumes much importance in the present consumer oriented marketing system with particular 50 references to 'gender attention'. The FMCG sector consists of four product categories such as Household Care; Personal Care; Food and Beverages; and Tobacco each with its own hosts of products that have relatively quick turnover and low costs. Every consumer is purchasing a particular product due to the influence of many factors. The influencing factors differ from one consumer to another and from product to product also. Similarly the brands which hitherto occupied a place in the minds of the consumers have started to disappear due to various sales promotion techniques and the quality brands from FMCG have slowly started to attract the rural consumers. Though there is a different ways and means to exhaust and to distribute abundantly produced Personal Care FMCGs products in markets, but the consumers in the market are influenced generously by responding to selling habits of retailers both in urban and rural market. In markets the consumers usually purchase what is available at the retail outlet. Therefore the producers of personal care FMCGs should progressively strengthen their distribution reach in the market. At the same time, there are some challenges such as poor distribution system, fragmented rural market and heterogeneity of population which the retailers ought to meet for satisfying the needs of consumers.

Jain and Sharma (2012) analyzed the brand awareness and consumer preferences for FMCG products in rural market of Garhwal region. The study found that average awareness of the respondents in the rural market is approximately 75 per cent, 70 per cent, 72 per cent, 64 per cent and 73 per cent in case of shampoo, washing powder, soap, tea, toothpaste respectively, which infers that people in the rural market have on an average awareness about most of the products. In the shampoo category, the study found that the respondents give 1st rank to Pantene and last rank to Chik; in case of washing powder, 1st rank to Surf Excel and last rank to Nirma; to soap category, 1st rank to Dettol and last rank to Rexona; in case of Tea, 1st rank to Tata tea and last rank to Maharani tea and in category of toothpaste, 1st rank to Colgate and last rank to Cibaca which infers that advertising and marketing activities have major influences in choices of people in rural market. The study further found that among various factors like quality, price, easy availability, family liking, advertisement, variety, credit attributes of brand preference; the quality is the first preference in case of brand choices and rural people

give least preference to variety and credit attributes. It is also concluded that there is a positive impact of media on brand preference of FMCG products among consumers.

Prajapati and Thakor (2012) examined the competitive and innovative promotional tools used by toothpaste companies in rural market and its impact on consumer buying behaviour in Gujarat. The study found that rural consumers are more concerned about the quality, brand name of the oral care products purchased by them. Further, it was also found that once the rural consumers found that certain brands are suitable to them, they do not change it easily due to influence of friends or social groups and lack of availability of their usual brands. In toothpaste category, Colgate and Close-up are the most favorite brands. Price, promotional schemes, color and availability of the product are more influencing factor when they buy the toothpaste. Rural consumers are generally following the instructions of the retailers for buying the toothpaste and also consider the promotional scheme when buy the toothpaste and the prices off schemes are the most influencing scheme to them. When there are special discount and dentist suggest them to purchase the toothpaste they definitely purchase it.

Ranu and Rishu (2012) analyzed the scope of Ingredient branding in creating sustainable differentiation advantage for FMCG companies. The results of the study revealed that careful planning must be done before entering into a relationship in order to maximize the benefits of any ingredient branding strategy. Along with the costs involved in forming and maintaining the alliance, and the opportunity cost involved for the partnering firm, the consumer's quality sensitivity and their ability to evaluate quality must also be considered. Firms considering an ingredient branding strategy must also evaluate the consumer's perception toward each brand prior to the alliance. The perceived fit of the products as well as the brands must be understood, and the level of consumer familiarity with each brand must be gauged. This will help marketers in developing a successful Ingredient branding strategy, which builds on the strengths of the partnering brands and generates additional value for the consumer.

Garga, Ghuman, and Dogra, 2009 done the one study among the 300 rural consumers in 3 districts of Punjab found that, rural consumers prefer to buy the goods in 39 small packets at lower price. They want the more products at reasonable price, in other words value for money. He also explains the importance of promotional tools in rural areas. He suggested that FMCG companies must enter and tap the rural market in phase manner.

Nandagopal and Chinnaiyan (2003) studied that the level of awareness among rural consumers about the brands of soft drinks was high, which was indicated by the purchase of soft drinks by "Brand Name". The major source of brand awareness was word of mouth followed by advertisements, family members, relatives and friends.

## **DISCUSSIONS AND CONCLUSIONS**

The consumer preferences towards branded FMCG goods are influenced by demographic variables, 4Ps of marketing, branding, Psychological attributes. The word of mouth by the family members, the peers, the friends, the advertisement and promotional activities, availability of products, appearance, colour etc makes a consumer to prefer a particular product brand. Consumer prefers branded products because of quality concerns. Needless to say needs are unlimited, recurring in nature and never ending. Unless the FMCG marketers don't understand these needs and wants they can't satisfy the consumers.

Most of the consumers trust brands and retailers instructions and they get influenced by brands and offers. The concept of

selecting, targeting and positioning are the basements of branding a FMCG product in the retail market. The rural market has good scope for branded FMCG goods than urban. The producers and marketers can devise the sales strategy and promotional activities to capitalise the rural FMCG Market. The rural market is highly fragmented one, so the market research has to be conducted on periodical basis to know and get update about the rural consumer needs on FMCG.

The juvenile companies are suggested to have partnership or ingredient branding with market leader to maximize their brand visibility in the market, in turn, that gains trust and consumer delight.

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