

A study on consumer buying behavior towards Fast Moving Consumer Goods (FMCG) of ITC LTD

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Abstract: The main purpose of this study is to investigate the consumer buying behavior towards Fast Moving Consumer Goods (FMCG) of ITC LTD. consumer buying behavior is most important for marketers as they can understand the expectation of the consumers. It helps to understand what makes a consumer to buy FMCG products and the company assesses the kind of FMCG products liked by consumers so that they can release it to the market. This systematic supply of FMCG accordingly the needs and wants of customers are important for a company to retain the existing customers, attract new customers and maximize market share in the future. Consumers preferences are the base of marketing operations, understanding them will help in getting market share in the future.

This project takes a look in various kinds of marketing activities, market share of different products and various sales promotion schemes, which are followed in the FMCG, based industry of ITC LTD.

ITC is one of India's most admired and valuable corporations with a market capitalization of over Rs. 2,59,212.45 crores and has consistently featured amongst the top 10 private sector companies in terms of market capitalization and profits over the last seventeen years.

Personal care, cigarettes, and soft drinks are the three biggest categories in FMCG. Between them, they account for 35 of the top 100 brands. that is the reason this sector has huge amount of growth, if we want to grow we have to understand consumer needs and wants, that is the reason to know their buying behavior is very vital to frame up a perfect marketing strategy.

Keywords: Fast Moving Consumer Goods (FMCG), ITC LTD, India, Consumer Packaged Goods (CPG), 'Hazard Analysis Critical Control Points' (HACCP), Product Quality Rating System' (PQRS), Consumer Behavior.

1. INTRODUCTION

Consumer behavior is the study of how people make decisions about what they buy, want, need or act in regards to a product, service, or company. It is critical to understand consumer behavior to know how potential customers will respond to a new product or service. It also helps companies identify opportunities that are not currently met. In other words consumer buying behavior "refers to the buying behavior of final consumers, both individuals and households, who buy goods and services for personal consumption."

According to marketers " point of view issues specific aspects of consumer behavior that need to be studied include the reasons behind consumers making purchases, specific factors influencing the patterns of consumer purchases, analysis of changing factors within the society and others." Consumer behavior is the study of how individuals, groups and organizations select, buy and dispose of goods, services, ideas or experiences to satisfy their needs and wants.

The marketer wants to know how consumers respond to various marketing strategy the company might use. It helps the firm to find better ways to satisfy consumers through creating a suitable marketing mix that will meet customer's needs and requirements better than competitors.

ITC is one of the major players of dominate the FMCG based industry in India. India is one of few battlegrounds in the world where there is neck-to-neck competition among. "ITC's FMCG segment is possibly one of the most under-appreciated businesses in the Indian consumer space in recent times. The outlook for FMCG sector seems more promising in these uncertain times as most of the products are considered essential; demand for which is stable unlike that of discretionary items. Moreover, the FMCG sector tends to fetch higher valuations. It is ITC's strategic intent to secure long-term growth by synergizing and blending the diverse pool of competencies residing in its various businesses to exploit emerging opportunities in the FMCG sector. The contribution of the paper is from the perspective of broadening our understanding about Consumer buying behavior towards FMCG and the way that used to know how to satisfy the needs and wants of consumers. The rest of the paper is structured as follows. In Section 2, the researcher review literature and introduce Indian FMCG goods and its market demand. In Section, the researcher accentuate on the data used for the researcher's study and the research methodology. In Section, the researcher presents his/her empirical findings and concludes his/her study. In last section the researcher has highlight the scope for the future research.

STATEMENT OF THE PROBLEM

Consumer behavior depends on a variety of factors that may be economic or non-economic and depend on economic factors such as wages, price, psychology, sociology, anthropology, culture, beliefs and environment. The techniques used in the study of consumer behavior are of empirical nature and not precise like mathematics or science. Thus, conclusions drawn may be imperfect and unsuitable for implementation.

A consumer may have multiple buying motives and is unable to express his main motive. This poses a challenge to the researcher in. the identification of the basic buying motive. A consumer may hesitate to explain his buying motive or give a misstatement of his motive. This misleads the researcher to identify the real motive for buying. A consumer may be so ignorant that he cannot understand his inner urge that prompts him to buy or not to buy. The researcher does not get any clue to identify the buying motive.

There are various brand of FMCG available in the market. So the consumer is not able to identify which one is good. They are finding it difficult to select a particular brand. While at the same time, they are not ready to change their behavior and also brand preference of FMCG. The exact logic for the purchase of a particular brand of FMCG is highly an uncertain factor. The users of the FMCG know the product feature and other. Certain Consumer is ready to accept any brand while certain others are insisting on a particular brand of FMCG. These kinds of Consumers with brand loyalty are ready to wait for their brand, if it is not available in the market. This present a wonderful opportunity for makers of branded products who can convert consumers to buy branded products. Hence the researcher has made an attempt to study the consumer behavior towards FMCG in the market.

2. LITERATURE REVIEW

The study focuses on understanding the consumer buying behavior for FMCG in ITC LTD. The study emphasizes on the how the consumers purchase FMCG products and which influences the purchasing pattern of the consumers.

This research utilized a focus group methodology to understand consumer behavior towards FMCG products. The challenge for researchers is to integrate FMCG into an effective purchasing decision model, by understanding Consumer's behavior towards the FMCG products. When consumers search for the process information in-store, the products of FMCG can contain relevant and useful information for the consumer. Consumers make many buying decisions every day. Most companies are interested to know what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy. But learning about the consumer buying behavior is not easy task The central question for marketers is how consumers respond to various marketing stimuli The company that understands how consumers will respond to different product features, prices, and advertising appeals has a great advantage over its competitors. The starting point is the stimulus-response model of buyer behavior. This figure shows that marketing and other stimuli enter the consumer's "black box" and produce certain responses.

Marketing stimuli consist of the four Ps: product, price, place, and promotion. Other stimuli include major forces and events in the buyer's environment: economic, technological, political, and cultural. All these inputs enter the buyer's black box, where they are turned into a set of observable buyer responses: product choice, brand choice, dealer choice, purchase timing, and purchase amount. The marketer wants to understand how the stimuli are changed into responses inside the consumer's black box, which has two parts. First, the buyer's characteristics influence how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behavior. As investments, FMCG stocks generally promise low-growth but are safe bets with predictable margins, stable returns, and regular dividends.

OBJECTIVES OF THE STUDY

- A. To Study the Consumer buying behavior towards FMCG brand in the study area (ITC LTD).
- B. To ascertain the factors, which influence the consumers to purchase a FMCG product
- C. To analyze the factors that influence towards consumer buying behavior regarding fast moving consumer goods in ITC LTD

3. DATA ANALYSIS

Exploratory research technique is used in this study, as the effort is made to understand the consumer buying behavior of FMCG of ITC LTD.

The data used for the study is collected from both primary and secondary sources where the primary data is directly collected from the consumers using a questionnaire sent through Google forms, collecting such data collection would give a increased accuracy, respondents were given an Google form containing 10 questions which were structured to collected all needed information in conducting the study. The secondary data for this study has been collected from various publications, online sources, Journals, Magazines and Books.

Data analysis is done on a quantitative basis, as analysis is done upon the response recorded from 60 respondents, the entire data is quantifiable hence quantitative analysis is used to draw conclusion from the study.

The tool used for data collection is virtual questionnaires, all 60 selected respondents were sent Google forms, containing 10 questions and were asked to submit their response, questionnaire were prepared in such a manner that no sensitive or misleading questions were asked, questions were made to collected data regarding the consumer buying behavior towards fast moving consumer goods (FMCG) of ITC LTD India.

4. FINDING AND DISCUSSION

It is inferred that most of the respondents (31.7%) are in the age group of 26 to 35 years, which shows the most of the respondents were youngsters. It is indicates that majority of the respondents (60%) are male. 51.7% of the respondents were students and 56.7% of the respondents have the income level of Rs 5000 to 10000. Among the FMCG products the food items are the most favorite by most of the respondents and the beverage products are desired by the respondents next to food items. 65% of the respondents were purchases the FMCG products in a daily bases and the most of them used retail stores. AS be understood from the study most of the respondents (55%) can get the FMCG products easily in their own locality easily. Different Consumer's like to purchase the FMCG products for various reasons but majority of the respondents were make purchase it because of product price or the discount they offer. There are various factors that influence the consumers buying behavior, but in this study **personal factors** (personality & self concepts, Gender, age, stage of life, lifestyle, etc) and **Social factors** such as: - Culture, sub-culture, social class, etc the most influencing factors consumers to make purchase FMCG products. Finally almost 46.7% of the respondents were satisfied by FMCG products. Which indicates that the ITC's FMCG products were fulfilled the needs and wants of most of the respondents.

5. CONCLUSION

It is concluded from this study that Fast Moving Consumer Goods are vital for the people in their day to day life. Their importance is giving the personality oriented benefits to the people. From the above analysis, it is denote that the FMCG Brands are able to provide good services to the satisfaction of the consumer in the way of goods quality, easy availability. FMCG sector is growing and will continue to grow very fast. The futures for the FMCG sector look extremely encouraging. The sector having under gone a structural change is all set to emerge stronger in future. The FMCG market remains highly fragmented with almost half of the market representing brand up package homemade product. This presents a tremendous opportunity for the markets of branded product. The study on the consumer buying behavior towards the products of FMCG has received a pivotal position in the market for FMCG, although there are many competitors in the market .FMCG was able to maintain hold its top rank providing quality product at reasonable price to consumer. Quality and setting reasonable price is the main motivating factor for the consumer to buy the product of FMCG. Introduction of new products in the market to satisfy the consumer is also an importance reason for FMCGs to hold the top in the consumer market. It clears from the study that FMCG acquire a major share in the consumer goods market the manufacture as to provide quality goods at reasonable price.

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