

## A Study on Fast Moving Consumer Goods (FMCG)-With Special Reference to Salem District

Mr.M.Sakthivel, M.B.A. M.Phil., (Ph.D).,

Assistant professor,

Department of Management Studies, K.S.Rangasamy College of Arts and Science (Autonomous),

Tiruchengode, Namakkal District, Tamilnadu-637215,

E-mail: [svel70743@gmail.com](mailto:svel70743@gmail.com).

Mr.B.Syed Abudakir Arfath, B.B.A

Student of department of Business Administration, K.S.Rangasamy College of Arts and Science (Autonomous),

Tiruchengode, Namakkal District, Tamilnadu-637215,

### ABSTRACT:

This paper concentrates on consumer demographics and behavior official cream category of fast moving consumer goods in Salem district of Tamilnadu. Fast moving consumer goods are generally lower profit margin products and therefore it is selling in large quantities in the regional market. Thus, it is very important to understand how to improve brand value for the customers as many brands are available for the same categories of products in the market.

The fast-moving consumer goods (FMCG) sector is an indispensable contributor to India's GDP. It constitutes a large part of consumers' budget in all countries. FMCG Industry is featured by an established distribution of network, an intense competition between the organized and unorganized segments, lower penetration levels, lower operating cost and also a lower per capita consumption. India's FMCG sector creates an employment opportunity. It is currently growing at double-digit rate and is expected to maintain a high growth rate. Indian buyers were conservative partly due to low disposable income and few competitive products. Inflation in food products could restrict the demand among consumers and pricing flexibility for FMCG while lowering purchasing power of the consumer that diverts purchases. The study analyzed demographics of facial cream consumers and found that majority of facial cream consumers are 36-45 years of age, are male, married, have Under Graduate level education qualification, are self-employed and earn Rs.10,001 to 15,000. It was also found that the awareness of facial cream brand was mainly through Advertisement. The major factor that influenced purchase and use of a brand of facial cream was price, followed by quality. The top three brands of facial cream used were found to be Ponds, followed by Fair & Lovely and Fair ever.

**Keywords:** FMCG, Facial Cream, Brand Awareness, Consumer Behaviour, Demographic analysis.

### INTRODUCTION

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) is the products that are sold quickly in the market and at relatively low cost. It includes non-durable goods like soft drinks, toiletries, and grocery items. Though the profit margin made on FMCG products is comparatively small, since it is sold in large quantities, the profit margin is sufficient for retailers and is more than the suppliers' profit. FMCG is probably the classic case of low margin, high volume

business. Global leaders in the FMCG segment include Johnson & Johnson, Unilever, Kellogg's, Heinz, Nestlé, Colgate-Palmolive, Procter & Gamble, and the Coca-Cola Company. In recent years, the fast moving consumer goods sector (FMCG) is observing increased activities in the promotion of sales all over the world.

### **What are FMCG goods?**

FMCG goods are also termed as consumer packaged goods. The following products are category include all consumables (other than groceries or pulses).

### **CHARACTERISTICS OF FMCG:**

- ✚ This sector touches every aspect of human life, looks to hygiene to palate.
- ✚ In most of the categories, it is a high volume, low value driven industry.
- ✚ The capital investment which is required in plant and machinery is not much higher.
- ✚ The major area in the marketing: brand building and promotion.
- ✚ Distribution network is extremely popular for the success of an organization in the industrial sector.

### **OBJECTIVES OF THE STUDY:**

- ❖ Analyze FMCG category of Facial Cream
- ❖ Analyze demographic profile of facial cream customers.
- ❖ Study the factors influencing purchase of facial cream
- ❖ Study the medium of awareness of facial creams
- ❖ Analyze usage of facial cream brands

### **RESEARCH METHODOLOGY**

#### **Data Collection:**

This study is based on the primary and secondary data. It depends mainly on the primary data collected through a structured interview schedule. The secondary data are collected from journals, magazines, books, publications, reports, periodicals, articles, research papers, websites, company publications, manuals and booklets.

#### **RESEARCH DESIGN**

Before investigating the types of research designs it is important to understand the role and purpose of research design. It's also required knowing what type of research design is formulated. The research design was descriptive and involved survey of Facial cream customers.

#### **SAMPLING METHOD and SAMPLE SIZE**

Convenience sampling technique was used for the survey. Questionnaire filled by the selected respondents.

The sample size included sufficient in number in Salem District. The sample size selected is 75. Large sample size has been avoided due to its difficulty to manage and small size of sample is avoided due to improper representation.

### STATISTICAL TOOLS AND DATA ANALYSIS

Data have been analyzed and tested with the help of tables, charts and percentage analysis.

### DESIGNING THE QUESTIONNAIRE

Structured Questionnaire was designed by the researcher to get closed ended answers and included four point Likert scales. This enables the respondents to answer the questions in a structured manner by choosing one option among five. Each construct had minimum four sub constructs related to the key factor of the main construct.

### ANALYSIS

The demographic profile analysis was carried out. The results the analyses are given below:

**Table 1:** Demographic Variables of Fast Moving Consumer Goods Consumers

S.No.	Demographic Variables	Classification Of Variables	No. Of Respondents	Percentage (%)
	Age:	Below 25 Years	18	24
		26-35 Years	20	27
		36-45 Years	25	33
		45-Years & Above	12	16
		<b>TOTAL</b>	<b>75</b>	<b>100</b>
	Gender:	Male	44	59
		Female	31	41
		<b>TOTAL</b>	<b>75</b>	<b>100</b>
	Marital Status:	Married	51	68
		Unmarried	24	32
		<b>TOTAL</b>	<b>75</b>	<b>100</b>
	Educational Qualification:	Illiterate	7	09
		School Level	14	19
		UG level	27	36
		PG level	19	25
		Professionals	8	11
		<b>TOTAL</b>	<b>75</b>	<b>100</b>
	Occupational Status:	Student	5	7
		Self-employed	16	21
		Professional	13	18
		Housewife	14	19
		Business	10	10
		Government employee	9	13
		Private employee	8	12
		<b>TOTAL</b>	<b>75</b>	<b>100</b>
	Monthly Income:	Less than Rs.5,000	8	11
		Rs.5,001-10,000	17	23
		Rs.10,001-15,000	22	29
		Rs.15,001-20,000	18	24
		Above Rs.20,000	10	13
		<b>TOTAL</b>	<b>75</b>	<b>100</b>

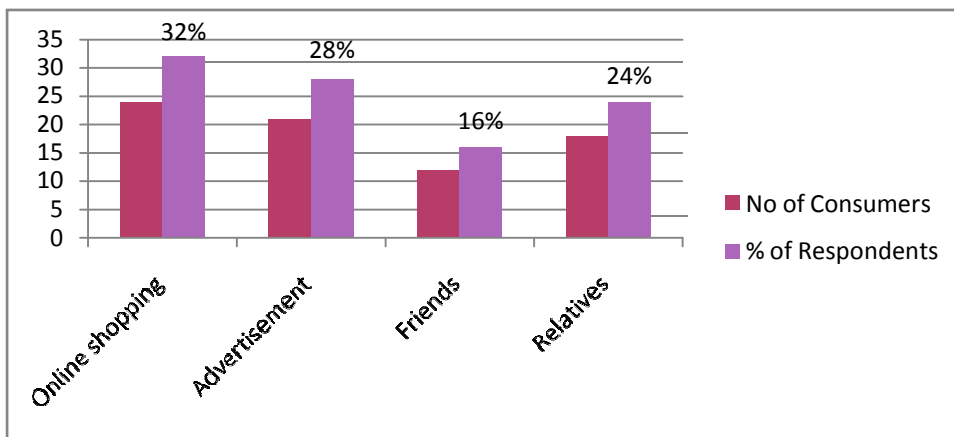
Source: Primary Data.

The method by which respondents became aware of the brands and were influenced was analyzed and the result is tabulated below:

**Table 2:** Method of brand awareness and influence of Facial Cream Brands

Method of Awareness & Influence	No of Consumers	% of Respondents
Online shopping	24	32
Advertisement	21	28
Friends	12	16
Relatives	18	24
<b>TOTAL</b>	<b>75</b>	<b>100</b>

**Figure -1: Method** of brand awareness and influence of Facial Cream Brands



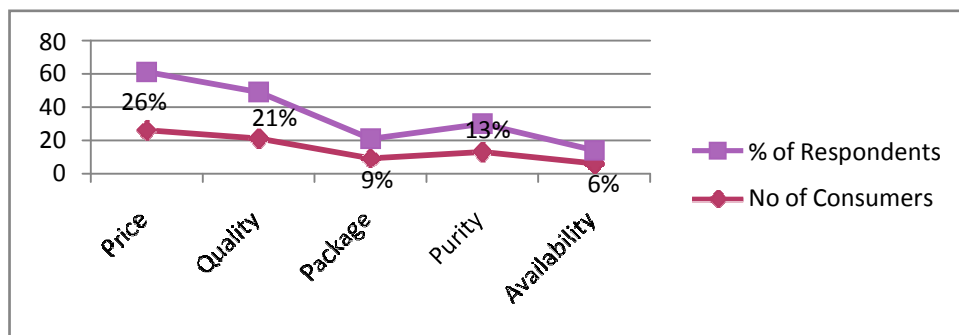
**Interpretation:**

From the above table 2, it can be inferred that 32% of the respondents come to know about the brand through online shopping (i.e. variety of colour, price), 28% of the respondents come to know about the product through the advertisements, 16% of the respondents become aware through friends and 24 % of the respondents were influenced by relative &neighbours.

**Table 3: Factors** influencing purchase of Facial Cream

Factors Influence	No of Consumers	% of Respondents
Price	26	35
Quality	21	28
Package	9	12
Purity	13	17
Availability	6	8
<b>TOTAL</b>	<b>75</b>	<b>100</b>

**Figure 2: Factors influencing purchase of Facial Cream**



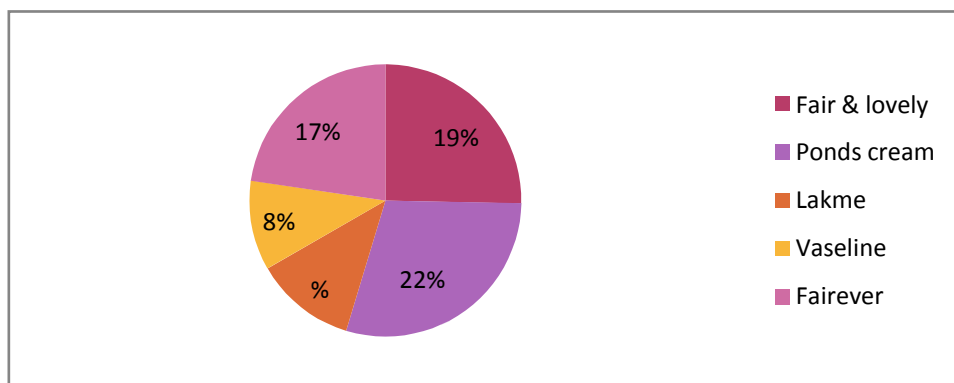
.Interpretation:

From the above table 3, it is observed that majority 35% of the respondents are influenced by price, 28% of the respondents are influenced by the quality of the product, 12% of the respondents influenced by convenience in package, 17% of the respondents are influenced by the purity of the cosmetic brand and 8% of the respondents are influenced by availability of cosmetics brand.

**Table 4: Brand Choice of Respondents**

Brand	No of Consumers	% of Respondents
Fair & lovely	19	25
Ponds cream	22	29
Lakme	9	12
Vaseline	8	11
Fairever	17	23
<b>TOTAL</b>	<b>75</b>	<b>100</b>

**Figure 3: Brand Choice of Respondents**



**Interpretation:**

It is noted from the Table 4 and Figure 3 that majority (30%) of respondents use preferred Pondscream, 25 % of the respondent prefer using fair & Lovely, 12 % of the respondents prefer Lakme cream, 10 % of the respondents preferred Vaseline and 23% of the respondents preferred Fairever

cosmetics. In conclusion, majority of the respondent prefer Ponds.

## **FINDINGS**

- Majority of the respondents are 36-45 years for their age groups.
- Majority of the respondents are male.
- Majority of the respondents are married.
- Majority of the respondents are UG level for their education qualification.
- Majority of the respondents are self-employed.
- Majority of the respondents are Rs. 10,001-15,000 for their family.
- It was also found that the awareness of facial cream brand was mainly through Advertisement.
- The major factor that influenced purchase and use of a brand of facial cream was price, followed by quality.
- The top three brands of facial cream used were found to be Ponds, followed by Fair & Lovely and Fairever.

## **SUGGESTION**

The major factors influencing use of facial creams was found to be price and quality, hence the companies should strive to produce and marketing low price high quality creams. There is niche market for „purity“ too hence an additional product line for organic cream products can be manufactured and marketed to increase the market share. The FMCG companies need to concentrate on younger section of the consumers too as the majority of consumers were found to be middle age 36 to 45 years.

## **CONCLUSION:**

The study found that the creams category of FMCG still has potential to grow. The growth areas include new product line of chemical free „pure“ product and adding newer age segments in the marketing mix. The most effective channels of promotion was found to be advertisements but for newer product launches, the preferred method for influence is sampling and product discount and coupon methods. The FMCG organizations can adopt the sampling and product promotion methods to improve their market share. Further study on consumer behavior of Salem creams consumer can reveal more useful and interesting aspects of the consumers.

## **REFERENCES:**

1. Carpenter JM (2008). Consumer Shopping value, Satisfaction and Loyalty in Discount Retailing, *Journal of Retail and Consumer Service*, 15: pp.358-360.
2. Gaillot L (1998). Emotions and Consumer Behaviour. *Res. Appl. Mark.*, 13(1): 5-25.

3. Leon G. Schiffman, Leslie Laszarkanuk “Consumer Behaviour” Prentice hall of India (Pvt.) Ltd. New Delhi, 2000.
4. Philip Kotler “Marketing Management the Millennium Edition” Prentice- Hall of India Pvt. Ltd. New Delhi, 2002
5. Dr.T.unnamalai, (2010), International journal of Business Management, Economic and Information Technology, Vol.2, No.1, Jan-june .Page no .166.  
\*\*\*\*