



## PURCHASING DECISION PROCESS OF FMCG'S HOME PRODUCTS

## Commerce

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## ABSTRACT

The aim of the study home products family decision making has attracted considerable attention from consumers. The study shows that the role of the structure of the family influencing in purchasing decisions variety of goods and services in purchasing decisions process. The main objective of the study purchasing decision process in FMCGs. The sample respondents of 100 respondents in the home products. The data collected from analyzed by using descriptive statistics analyses and Chi-square test. Most of the consumers acknowledge that their consumers influence their purchasing decision. The findings also consumers determining factors for the influence on the decision to purchase certain products types.

## KEYWORDS

Consumer Behavior, Purchasing Decision Making, Design, Buying Behavior, Consumer Satisfaction, Brand Loyalty.

## INTRODUCTION

Household Care industry mainly comprises of the products, which we use in our daily life to take care of our household. These items include air fresheners, dishwashing products, chlorine bleach, insecticides, polishes, laundry care, toilet care, surface care, and varied other products. Growing urbanization along with increasing awareness about home hygiene among the inhabitants of India has led to the huge growth of the home care products. Social Media Marketing upgrade the customer to aware about the FMCGs product across online channels too (Mugeshkannan et al., 2018). Among the different household care products, insecticides and laundry care lead this industry in India. During the last year toilet as well as surface care products grew impressively though.

This competitive household care market of India has been captured by many national and international home care brands. Apart from blurring the quality differentiation between domestic and foreign brands, the historical presence of these household care brands in India have narrowed down the price gap between national and international home care products. The domestic players involved in this category of business made it happen through providing quality products, good customer service, loyalty as well as successful local marketing. Some of the top household care brands in India are as follows:

- Amway India Enterprises
- Godrej Consumer Products Limited:
- Hindustan Unilever Limited:
- Nirma
- Procter & Gamble

## REVIEW OF LITERATURE

In this study long-term survival of companies depends strongly on successful new product introductions. However, insufficient customer new product acceptance (NPA) often leads to high failure rates for manufacturers. The Retailers, as intermediaries between the company and the customer, often obtain a crucial role as primary touch point. The research shows that customers' perception of a company is transferable to its products and thus influences NPA. Family firms, as successful company type, are supposed to positively influence NPA. The purpose of the study is to analyze whether manufacturers achieve a strategic advantage regarding NPA when choosing retailer that are perceived as family firms. The concluded of the study that a strongly perceived FFI has a direct positive effect and, through perceived trustworthiness, an indirect effect on NPA. Those effects are moderated by the customers' perceived uncertainty about the product. The study that aside from increasing trustworthiness, a retailer's FFI creates a substantial strategic advantage that increases NPA and hence decreases manufacturers' failure rates. (Susanne Beck 2015). Indian rural market with its colossal size and demand base offers great opportunities to marketers. The two thirds of India's consumers live in rural areas wherein almost one third of the national income is generated. It is seen as a profusion of opportunities, whether for marketing durables, textiles and garments, personal care products or financial services. A rural marketer is faced with an entirely different

set of conditions and problems while marketing in rural area as with an urban area. The most marketers planning to enter the rural markets, distribution poses a serious challenge. For the successful exploration of rural markets, a basic requirement is infrastructure. The absence of such an infrastructure is aggravating the distribution challenges in rural India. There are many other challenges that FMCG companies face in tackling rural markets, viz., geographically scattered nature of rural markets, their small size, remoteness, poor connectivity and tremendous heterogeneity. Low level of literacy, too many languages and dialects, cultural diversities, inadequate banking facilities, spurious products, low per capita disposable incomes, acute dependence on the monsoon; seasonal demand, and media darkness are some serious limitations. Therefore, the real problem for the marketers to penetrate into rural markets is in understanding heterogeneous rural consumers, reaching products to these remote locations, and communicating with media-dark rural audience. Even greater challenge lies in terms of the vast differences in the rural severely limit the marketer's ability to segment, target and position his offerings. (S. Sathyanarayana 2011)<sup>2</sup>

## OBJECTIVE OF THE STUDY

- To study the purchasing process in FMCG with special reference to home products.

## METHODOLOGY

The present study is both descriptive and analytical in nature, mainly based on the purchasing process about FMCGs. This study carried out observation and survey questioning methods, which are attributes of descriptive research. Convenient sampling technique is adopted for individual contact from sample respondents of FMCGs customer (Ganapathy & Mugeshkannan, 2016) and also due to time constraint convenient sample was followed. The sample size is 100 respondents.

## RESULTS AND INTERPRETATION

Table -1: Analysis of Demographic Variables of the Respondents

S. No	Characteristic	Distribution	Frequency	Percentage
1	Gender	Male	25	25%
		Female	75	75%
2	Age	Below 20 years	18	18%
		21-30 years	33	33%
		31-40 years	27	27%
		Above 40 years	22	22%
3	Educational qualification	School Level	6	6%
		Graduation	42	42%
		PG	33	33%
4	Occupation	Professional	19	19%
		Student	13	13%
		Self-employed	33	33%
		Private employed	18	18%
		Govt. Employed	19	19%
Business	17	17%		

5	<b>Marital status</b>	Married	87	87%
		Unmarried	13	13%
6.	<b>Family income</b>	Below Rs.1,20,000	17	17%
		Rs. 120001- 1,70,000	25	25%
		Rs. 1,71,001- 2,20,000	18	18%
		Rs. 2,20,001- 2,70,000	23	23%
		Above Rs. 2,70,000	17	17%
7.	<b>Size of Family</b>	Up to 2 members	26	26%
		3 and 4 members	39	39%
		5 and above	35	35%
8.	<b>Amount Spend on purchase of home product</b>	Below 1000	22	22%
		1001-1500	27	27%
		1501-2000	26	26%
		Above 2000	25	25%
9.	<b>Frequency of purchase</b>	Weekly	23	23%
		Monthly	23	23%
		Festivals	27	27%
		Others	27	27%
10.	<b>Place of purchase</b>	Shopping Mall	25	25%
		Hyper market	26	26%
		Super Market	23	23%
		Departmental store	26	26%

(Source: Primary Data)

From the table-1, it is inferred that the majority of the gender of the respondents furnishes, 75% of respondents are Female. Age of the respondents furnishes that 33 % of respondents are falls 21-30 years. Educational qualification of the respondents shows that majority (42%) is graduation. The occupation of the respondents shows that 33 % are Self Employee. Family income of the respondents has been checked, it evidences 25 % respondents earnings falls under Rs. 120001- 1,70,000. Size of the family shows that 39 % are 3-4 members of the family. The marital status of the respondents shows that 87% of the married and Amount purchase of home product 27 % respondents in 1001-1500. The frequency of purchase of the respondents in festivals time 27% and Place of purchase in departmental store and super market and hyper market 26 %.

**CHI-SQUARE TEST**

The chi-square test is an important statistics used for testing the statistical significance of the cross-tabulation table. Chi-square tests determine whether or not the two variables are independent. If the variables are independent (have no relationship), then the results of the statistical test will be “non-significant” and are not able to reject the Null hypothesis, conclude that there is no relationship between the variables. If the variables are related, then the results of the statistical test will be “statistically significant” and are able to reject the null hypothesis, and conclude that the researcher can state that there is some relationship between the variables.

$$\text{Chi-square test}(\chi^2) = (O - E)^2 / E$$

Whereas,

O - Observed variable

E - Expected variable

**Table 2: Hypothesis testing: Chi-Square test**

Hypotheses	$\chi^2$ value	DF	Sig.	Result
Gender and Need Recognition	1.339	4	.855	Accepted
Gender and Information Search	10.815	4	.029	Rejected
Gender and Evaluation of Alternatives	11.133	4	.025	Rejected
Gender and purchase Decision	13.158	4	.011	Rejected
Gender and Post-purchase	17.157	4	.002	Rejected

Table.2 reported that the observed from chi-square statistic for purchasing process in gender and need recognition (1.339), gender and Information search (10.815), gender and Evaluation of alternatives (11.133), gender and Purchase decision (13.158), gender and Post-purchase (17.157),The study all result concluded that there was a statistically significant association between the consumer purchasing process of home products in FMCG, p<0.05, the Null hypotheses have been rejected that there is a significant relationship between the demographic factors and purchasing decision process in FMCGs.

**Table 3: Hypothesis testing: Chi-Square test**

Hypotheses	$\chi^2$ value	DF	Sig.	Result
Age and Need Recognition	34.191	12	.001	Rejected
Age and Information Search	33.048	12	.001	Rejected

Age and Evaluation of Alternatives	26.548	12	.009	Rejected
Age and purchase Decision	39.175	12	.000	Rejected
Age and Post-purchase	44.018	12	.000	Rejected

Table.3 reported that the observed from chi-square statistic for purchasing process in age and need recognition (34.191), age and Information search (33.048), age and Evaluation of alternatives (26.548), age and Purchase decision (39.175), age and Post-purchase (44.018),The study all result concluded that there was a statistically significant association between the consumer purchasing process of home products in FMCGs, p<0.05, the Null hypotheses have been rejected that there is a significant relationship between the demographic factors and purchasing decision process in FMCGs.

**Table 4: Hypothesis testing: Chi-Square test**

Hypotheses	$\chi^2$ value	DF	Sig.	Result
Educational and Need Recognition	28.610	12	.005	Rejected
Educational and Information Search	28.871	12	.004	Rejected
Educational and Evaluation of Alternatives	14.177	12	.290	Accepted
Educational and purchase Decision	13.241	12	.352	Accepted
Educational and Post-purchase behavior	29.298	12	.004	Rejected

Table.4 reported that the observed from chi-square statistic for purchasing process in educational and need recognition (28.610), educational and Information search (28.871), educational and Evaluation of alternatives (14.177), educational and Purchase decision (13.241), educational and Post-purchase (29.298),The study all result concluded that there was a statistically significant association between the consumer purchasing process of home products in FMCGs, p<0.05, the Null hypotheses have been rejected that there is a significant relationship between the demographic factors and purchasing decision process in FMCGs.

**Table 5: Hypothesis testing: Chi-Square test**

Hypotheses	$\chi^2$ value	DF	Sig.	Result
Occupation and Need Recognition	23.449	16	.102	Accepted
Occupation and Information Search	52.438	16	.000	Rejected
Occupation and Evaluation of Alternatives	36.459	16	.002	Rejected
Occupation and purchase Decision	38.250	16	.001	Rejected
Occupation and Post-purchase	43.016	16	.000	Rejected

Table.5 reported that the observed from chi-square statistic for the purchasing process in occupation and need recognition (23.449), occupational and Information search (52.438), occupational and Evaluation of alternatives (36.459), occupational and Purchase decision (38.250), occupational and Post-purchase (43.016),The study all result concluded that there was a statistically significant association between the consumer purchasing process of home products in FMCGs, p<0.05, the Null hypotheses have been rejected that there is a significant relationship between the demographic factors and purchasing decision process in FMCGs.

**Table 6: Hypothesis testing: Chi-Square test**

Hypotheses	$\chi^2$ value	DF	Sig.	Result
Family Income and Need Recognition	47.180	16	.000	Rejected
Family Income and Information Search	38.031	16	.001	Rejected
Family Income and Evaluation of Alternatives	27.024	16	.041	Rejected
Family Income and purchase Decision	30.893	16	.014	Rejected
Family Income and Post-purchase	35.504	16	.003	Rejected

Table.6 reported that the observed from chi-square statistic for purchasing process in family income and need recognition (47.180), family income and Information search (38.031), family income and Evaluation of alternatives (27.024), family income and Purchase decision (30.893), family income and Post-purchase (35.504),The study all result concluded that there was a statistically significant association between the consumer purchasing process of home products in FMCGs, p<0.05, the Null hypotheses have been rejected that there is a significant relationship between the demographic

factors and purchasing decision process in FMCGs.

## CONCLUSION

Through this investigation, we know that household products purchasing process is by demographic factors like gender, age, educational qualification, marital status. The study of the purchasing decision process is of utmost importance in a number of aspects. First of all, purchasing decision process can influence the economic health of a nation. Therefore, consumers' purchasing decision process can provide a clue for which production to survive, which companies to succeed, and also which products to excel. Second, through understanding the reasons for consumers to buy household products and their buying habits, the firms can make use of such information to devise related marketing strategies in response to the consumers' needs. The present studies regard consumers as important determinants of organizational success and it is found that the most successful organizations are customer-centric. So understanding the purchasing decision process of the demographic profile of the consumers leads to develop a good marketing strategy.

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