TO STUDY AND IDENTIFY THE IMPACT OF CONSUMER PURCHASE BEHAVIOR TOWARDS BRANDED FOOD PRODUCTS IN FMCG SECTOR

Dr. SMITI JHAJJ[1] , ANIRUDH PANDIT[2*]
[1]Assistant Professor, [2]Research Scholar
[1]Department of Management, ITFT Mullanpur, New Chandiagrh,Punjab, India
[2]Department of Management, IKGPTU, kapurthala, Punjab, India
Email: smiti.jhajj@yahoo.com[1], *kiranbhavya21aug@gmail.com

ABSTRACT

"The need of hour is to have the knowledge", for consumers it is necessary to have the knowledge of the product they are using and for manufacturer it is necessary to have the knowledge of the consumers they are serving. The objective is to identify and study the impact of consumer behavior factors on purchase decisions. 200 respondents between 8-25years age groups belonging to Patiala, Ludhiana, Jalandhar and Amritsar city of Punjab are taken under study. Statistical tools like coefficient of contingency, Chi-square, and t-test is used with the help of SPSS for data analysis. Study reveals that changed family structure affects consumers purchase behavior. Nuclear family members show more autonomy over purchase rather than joint family. Children involvement in household purchase increases. Plan Before Purchase, Value for product, Higher Price Higher Quality, Store Loyalty, Wide Range, Pleasant Atmosphere, Fresh Stock, Convenient Display do affect purchase behavior of respondents between ages 8-25 years. Factors like Corporate Social Responsibility and Parents Assistance shows no impact on consumers from all the four cities.

Key words- Consumer purchase behavior, branded food products, FMCG.

1.   OBJECTIVE

To identify and study the impact of consumer behavior factors (Plan Before Purchase ,Value for product, Corporate Social Responsibility, Higher Price Higher Quality, Parents Assistance, Store Loyalty, Wide Range, Pleasant Atmosphere, Fresh Stock, Convenient Display) on purchase decisions.

2.   INTRODUCTION

The study of Consumer behavior is often considered as a complicated task and may involve a number of constructs. Even experts in this field consider consumer behavior difficult to predict (Armstrong & Scott, 1991). Consumer purchase behavior can be defined as the way in which consumers or buyers of goods and services tend to react or behave when purchasing products that they like. During the process of purchasing of goods and services, buyers tend to exhibit different types of buying behavior and their behavior are influenced by the type of product he/she wants to buy. According to cart Wright "Influence has been defined as something that is inferred when one person act in such a way

as to change the behavior of another in some intended manner". Consumer purchase behavior is a psychological process, Where the buyer has to identify the product, study its features, prons, cons and lastly deciding on whether to purchase it or not. Consumer purchase behavior would make a certain buyer to purchase product A as opposed to product B, all that is a result of the buying decisions made on the basis of product needs and requirements. Consumers of goods and services may possess different types of consumer purchase behavior that are unique to themselves. The purchase behavior of one consumer may be different from those of other consumer. Consumer purchase behavior research attempts to understand the buyer decision-making process and the factors that affect the decision (purchase or not to purchase), both individually and collectively. It studies individual consumer characteristics such as demographics, and behavioral variables and group characteristics such as social variables in an attempt to understand consumer's wants.

The objective of the research will be to study the consumer purchase behavior in context of food products of Fast Moving Consumer Goods (FMCG) sector. FMCG popularly named as consumer packed goods has been in existence for quite a long time. It began to take shape during the last fifty years. Over the last decade (FY01-FY10), the FMCG sector has posted double digit 11% growth and in last five years (FY06-FY10), annual growth has touched the figure of 17% tripled to INR 1300 Billion from the growth of INR 470 billion (FY01) and is estimated to grow to INR 4000 billion by 2020. FMCG are defined as those products that are sold quickly and relatively at low cost. In marketing context FMCG is everyday low priced and low risk products.

FMCG is a volume driven vehicle and is running on four wheels of increasing demand, changing consumer preference, higher disposable income and retail revolution. FMCG is characterized by branded products, skilled marketing, heavy advertising, strong distribution network, low operating cost and intense competition between organized and unorganized segments led to the growth rate. Special thanks are to modern retail formats and rising income level which act major catalyst in pushing the growth in FMCG sector.

3.   LITERATURE REVIEW

According to Kotler (1974) consumers may simply like a product because it elicits positive emotions when the consumer looks at the product (emotional perspective). Such a positive emotion may directly affect the consumer's purchase behaviour. Booth and Shepherd (1988) argued that cultural and economic factors, consumer's personality, attitudes, values and emotions, affect consumers' decision making process regarding food selection. Aaker (1991) reveals that the origin label is an important source of value added to European agri-business. Kotler (1994) identified that consumer buying behaviour is influenced by cultural, social, personal and psychological factors. Steenkamp (1996) identified that biological, psychological and socio - demographical consumer's characteristics, marketing of the product, economic and cultural environment affect consumers' purchasing decisions. According to Murray *et al.* (1996) in Food, high importance has been given by consumers in diet and health issues, price, governmental actions, cultural factors, distribution channels and the dominance of the supermarket chains also affect consumers buying behaviour within E.U countries. Louriero and McCluskey (2000), Fotopoulos and Krystallis (2002) suggest that consumers are often willing to pay a price premium for origin labels. Michalopoulos and Demoussis (2001) Sdrali and Apostolopoulos (2002), and Lazaridis (2009) stated that religious prohibitions, cultural beliefs and counterculture attitudes have a significant influence on consumers purchasing decisions towards food products together with the social characteristics of the consumers, included the size of the family and the role of the head of the family. Skuras and Dimara (2005) identified three sets of elements of the regional resource base that contribute towards consumer-constructed regional images-namely, factors related to nature and the environment; factors related to history, tradition and heritage; and amenity experiential factors. According to Foret and Procházka (2007) consumers do not rate products according to their core attributes (i.e., the primary utility they provide) but, above all, according to the so-called real product (i.e., a particular products qualities) and the extended product,

which represents the set of intangible factors that confer a desired perceived advantage on the consumer – including image, consultancy, and after-sale service. Stávková et al. (2008) said that one of the current fundamental assumptions in consumer behaviour research is that individuals often pur-chase products for their subjectively perceived values rather than their primary functions. This does not mean that the products' basic functions are not important, but that the contemporary role of a product is more than its basic use-value. According to Shashi (2008) it has been found out that since income of individual is increasing and more and more people are moving towards western culture in dressing sense, in eating etc so the purchasing power of the people has really gone up and thus the impulse buying of the commodities is on a great increment mainly due to pricing strategies of retail players and full of festivals throughout the year. According to Jasbir, et al (2010) the preferences of the consumers clearly indicate their priority for cleanliness/freshness of food products followed by price, quality, variety, packaging, and non-seasonal availability. The consumers' preference of marketplace largely depends on the convenience in purchasing at the marketplace along with the availability of additional services, attraction for children, basic amenities and affordability. Most of the food and grocery items are purchased in loose form from the nearby outlets. Fruits and vegetables are mostly purchased daily or twice a week due to their perishable nature, whereas grocery items are less frequently purchased. According to Vikkraman and Selvakumar (2010) there were three decision making styles exhibited namely price consciousness, quality consciousness, recreational consciousness, confused buy over choice, novelty consciousness and variety consciousness. Parmar and Gupta (2011) identified that income, quality and price are deciding factors that regulate consumer behaviour. It was also identified that consumers are not brand conscious and in order to generate sales company need to focus on advertising and ensure availability of goods.

According to Kusum gupta (2011) children today have more autonomy and decision making power within the household than in previous generations; they are emerging as influencers in household buying decisions. They are not growing only in size but also in influence as they are playing different buying roles in household sector. It was also found that there is rapid growth of market for children products over a past few years. The marketers are targeting the consumers by using children not only in the case of product meant for children but also for the product used or purchased in household sector. Further, parents agreed that media in its various manifestations has been able to carve out a niche for its advertisements in the heads and hearts of the children. Children with their instant grasping power give valuable suggestions to their parents when they intend buying a particular product. The study also found that children are turned into consumers at a very early age through the desires and encouragement of parents, who also provide the youngsters with the necessary financial support in the form of pocket money. According to Samina, et al (2012) there is strong positive relationship of trust, customer satisfaction, and corporate image with customer loyalty. FMCG companies also pay more attention towards the reputation of the company, satisfaction of customers and trust to build customer loyalty.

According to Chandrasekhar (2012) Rural consumers are not much brand conscious, instead give more preference to price of product and male rural consumers play dominant role during purchase.

4.   RESEARCH METHODOLOGY

The study will use intercept survey along with personal observation method. The research will use both primary and secondary data. Primary data will be collected from various household consumers residing in four major district cities of Punjab (Ludhiana, Amritsar, Patiala and Jalandhar). Structured questionnaires will be used to gather primary data from respondents. Questionnaire belonging to age group between 8-25 years. The secondary data will be collected from various published work both at national and international level.

Sample area: The sample universe will be Punjab state and sample area selected for the research work will be four major district cities named Ludhiana, Amritsar, Patiala and Jalandhar located in state of

Punjab. The rationale behind selecting these four major district cities, as these contributes 66.24 percent (Table: 2) of total 22 district city population of Punjab.

Table 1 District City Wise Population from State of Punjab

District city	Total Population		% Contribution
Punjab	27,704,237 (2.77 Crore)		
Ludhiana	1613878		
Amritsar	1132761		
Patiala	405164	4013999	66.24
Jalandhar	862196		
Muktsar	116747		
Fatehgarh	58097		
Ropar	56038		
SBS nagar	46024		
Pathankot	148357		
Gurdaspur	75549		
Mohali	146104		
Abohar	145238		
Faridkot	85435	2045623	33.76
Tarantaran	66847		
Mansa	82996		
Sangrur	88043		
Barnala	116454		
Bathinda	285813		
Kapurthala	98916		
Hoshiarpur	168443		
Ferozepur	110091		
Moga	150411		
Total	6059622	6059622	100
Source- *Census India 2011.gov.in*			

Sample unit: Sample unit will consist of household consumers covering 8-25years age group.

Sample size: The sample size selected for the study will be 200 respondents.

Table 2 Demographic Profile of Respondents

Group	Sub Group	Response	Total
Gender	Male	103(51.50)	200(100)
	Female	97(48.50)	
Age	8-18	71(35.50)	200(100)
	19-25	129(64.50)	
Education	Secondary	61(30.50)	200(100)
	Senior Secondary	74(37)	
	Graduate	65(32.50)	
Pocket Money	Below 500	30(15)	200(100)
	501-2000	147(73.50)	
	2001- Above	23(11.50)	
Family Status	Joint Family	27(13.50)	200(100)
	Nuclear family	71(35.50)	
	Independent Stay	102(51)	

Sampling: The sampling design adopted for the study will be non-probability convenient sampling. As the selection will be done purposely for intensive study on the subject.

Data analysis: Data analysis will be done by using M.S excel and SPSS. Various statistical tools like coefficient of contingency, chi-square test and t- test is used.

Table 3 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.701	.655	10

Table 4 Hypothesis Testing

Group / Sub Group	Chi – square value	Contingency Coefficient (C)	Student (t) Values
Plan Before Purchase	4.667(df:12) HO= A H1= R	.151	17.509(df:199)
Corporate Social Responsibility	7.656(df:12) HO= A H1= R	.192	16.496(df:199)
Value for Product	8.208(df:12) HO= A H1= R	.199	24.731(df:199)
Higher Price Higher Quality	5.779(df:12) HO= A H1= R	.168	30.518(df:199)
Parents Assistance	15.237(df:12) HO= A H1= R	.226	22.438(df:199)
Store Loyalty	5.369(df:12) HO= A H1= R	.162	15.531(df:199)
Wide Range	8.392(df:12) HO= A H1= R	.201	23.036(df:199)
Convenient Display	7.701(df:12) HO= A H1= R	.193	29.300(df:199)
Fresh Stock	5.103(df:12) HO= A H1= R	.158	24.154(df:199)
Pleasant Atmosphere	9.869(df:12) HO= A H1= R	.217	29.460(df:199)

Note 1: A= Accept, R= Reject

Note2: Significant at five percent level of significance

Table value of Chi square for 12 degree of freedom = 21.026

Table value of Student (t) distribution for 199 degree of freedom = 1.960

5.   FINDINGS

1. Findings reveals that irrespective of demographic profile, respondents from all the four cities rely on impulse buying behavior rather than preparing and carrying exclusive shopping list

in advance. The rationale behind impulse buying behavior is as consumers prefer to visits large retail outlets where there is proper display/arrangement of product and by glancing at the product on shelf, one can remind what one is already using and what can be the possible alternative/replacement of products.

2. Manufacturers governing/marketing on the basis of social issues or administering corporate social responsibility shows no impact on respondents of all the four cities under study. As respondents possess limited amount of finance, so respondents prefer to spend on own choice products rather than choosing products governing social issues or corporate social responsibility.

3. Respondents between 19-25 age groups being graduate or above and living in nuclear family or in independently prefer to buy those products which provide value for money. These respondents choose products wisely taking in consideration the factors like quantity, price and nutritional value. On the other hand purchase of respondents belonging to age group 8-18 being up to senior secondary and living in joint family, purchase is governed by taste and price.

4. Majority of the respondents from all the cities believe that higher the price of product higher is the quality of the product.

5. Study reveals that majority of respondents disagree to the statement that parents always accompany during shopping. Respondents living in nuclear family or independently, their parents rely on kids for their shopping rather than accompanying during purchase.

6. Majority of respondents agree to the statement that the various factors like wide range of products, pleasant atmosphere, proper display of products, fresh stocks affect the respondents while selecting an outlet for purchase.

7.   CONCLUSION

Study of Consumer Purchase Behaviour of branded food products in FMCG sector will create awareness among food product serving companies regarding the factors considered by consumers during purchase. The study will help in understanding the need and preference as well as highlight the key factors that govern the purchase behaviour of consumers, which in turn help the company to stay ahead of competition within food industry. Research reveals that consumer purchase behaviour has shown shift many fold from past to present. The factors that contribute to shift in consumer purchase behaviour are nuclear family culture, stiff working hours (9 a.m. to 9 p.m.), dual income concept (both husband wife working), and students studying and staying away from home. Media also play significant role, media being fourth pillar of country contribute by providing not only relevant but vital information about product, its contents, manufacturing process and manufacturer. By increasing the pool of information among consumers regarding product contribute in changing purchase behaviour.

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