

# A Study On Consumer Perception Towards Brand Loyalty Of FMCG Products In Dharamapuri District

Dr.G.Venkatasalam<sup>1</sup>, C.Karunakaran<sup>2</sup>

<sup>1</sup>Assistant Professor & Head, PG Department of Commerce, Government Arts and Science  
College, Pennagaram, Dharamapuri – 636803

<sup>2</sup>Ph.D Research Scholar, PG Department of Commerce, Government Arts and Science  
College, Pennagaram, Dharamapuri – 636803

**ABSTRACT:** *The FMCG sector in India is a key contributor to the country's economy. India's fast-moving consumer goods (FMCG) business has exploded in recent years. India is having a vast untapped rural market, increasing literacy, income level and life style in increasing awareness among rural customers. It is creating ample opportunity for investment in rural sector. The fast moving consumer goods (FMCG) industry is India's fourth largest industry, affecting everyone's daily lives. Due to their limited shelf life, these goods sell rapidly. These products include non-durable such as soap, shampoo, toiletries, cosmetics, food items, pharmaceuticals, consumer electronics etc. this product operates at low profit margin. The primary objective of the study was to explore why loyalty develops in FMCG markets from the consumers' perspective.*

**Keywords:** *FMCG, Loyalty, Rural, Consumers.*

## 1. INTRODUCTION

Consumer packaged goods (CPG) or Fast Moving Consumer Goods (FMCG) are products that are sold quickly and at a cheap cost. Non-durable products, such as soft drinks, toiletries, and food items, are examples. Despite the fact that the profit margin on FMCG products is very low, particularly for retailers rather than producers/suppliers, they are often sold in huge quantities. The most well-known example of a low-margin/high-volume firm is fast-moving consumer goods (FMCG). Many of the retailers, such as Walmart and Carrefour, are among the world's largest and most well-known corporations.

A consumer's frequent repurchase of a favourite brand is referred to as brand loyalty. Brand loyalty refers to how likely a customer is to transfer from one brand to another, especially if that brand changes its pricing or product characteristics. Brand loyalty has several advantages. Primarily, it is obvious that retaining customers is far less expensive than attracting new ones, and current customers are a significant entrance barrier for rivals, in part because convincing consumers to switch allegiance is frequently prohibitively expensive. There's also the benefit of trade leverage, which guarantees preferential shelf space for a preferred brand, as well as brand loyalty, which gives a company more time to react to rival movements.

The market is divided into two segments: the premium segment, which caters mostly to the metropolitan upper middle class, and the popular category, which has costs as low as 40% of the premium segment.

The FMCG market in India is anticipated to rise to Rs.180000 crore by 2015, owing to a fast developing economy, increased per-capita earnings, and a rising trend of urbanisation. Because FMCG items are often tiny and sell in huge quantities, the cumulative earnings on such a product might be substantial.

The phrase "brand loyalty" refers to a consumer's positive perception of a product or service. This positive image encourages customers to buy a company's goods or service on a regular basis. This brand image has had such an impact on customers' minds that even if it is out of supply, they will not go out and buy a competitor's brand product. Consumers, on the other hand, will wait for the goods to become available before making a purchase. The idea of brand loyalty is connected to customer buying behaviour that occurs on a regular basis.

## INDUSTRY SEGMENTS

The main segments of the FMCGs are

**Personal care:** Oral Care; hair care; skin care; personal wash; cosmetic and toiletries; deodorants; perfumes; paper products; shoe care.

**Household care:** Fabric wash; household cleaners; floor cleaners; air fresheners; insecticides and mosquito replants, metal polish and furniture polish.

**Branded and packaged foods and beverage:** health beverages; soft drinks, staples/cereals; bakery products, snack food; chocolates; ice cream; tea coffee, etc.

Sprites and Tobacco: An exact product-wise sales break up for each of the item is difficult

## THE TOP 10 COMPANIES IN FMCG SECTOR

1. Hindustan Unilever Ltd.,
2. Indian Tobacco company (ITC)
3. Nestle India
4. GCMF (AMUL)
5. Dabur India
6. Asian Paints
7. Cadbury India
8. Britannia industries
9. Procter & Gamble Hygiene and health care
10. Marico industries.

## 2. METHODOLOGY

This research is descriptive in nature. Data was gathered from both primary and secondary sources, with primary data being gathered through an interview schedule with 150 people in the Dharamapuri District and secondary data being gathered from various journals and websites. The data was collected using a random sample approach using an interview schedule. The current study focuses on customers in the Dharampuri District, and analysing their behaviour helps to determine their tastes and preferences, as well as the effect of brand on their purchasing decisions.

## STATEMENT OF THE PROBLEM

The interface or connection point between customers and the firm in the market space is the brand of a product. Customers' thoughts are influenced by a product's brand name, which causes them to purchase that brand product on a frequent basis. It makes it easier to build brand loyalty and confidence in a product. The creation of brand loyalty is considered

to be the main point of all marketing operations. It may lead to people building trust and loyalty for a brand, putting brand loyalty at the centre of any marketing strategy.

### **OBJECTIVES OF THE STUDY**

- To explore why loyalty develops in FMCG markets from the consumers' perspective in Dharampuri District.
- To determine the elements that influence a consumer's decision to buy a certain FMCG product.

### **REVIEW OF LITERATURE**

**Abhishek Dadhich and Kavaldeep dixit (2017)** investigated brand loyalty and customer perceptions of major pharmaceutical companies' brand medications. Rajasthan was the location of the study. The authors attempted to investigate customers' perceptions of over-the-counter medications, as well as the elements that impact consumers' purchasing behaviour for such OTC goods sold by major pharmaceutical firms. The study found that elements in the marketing mix of OTC medications, such as location, promotion, and pricing, had a positive impact on customer perception and brand loyalty.

**Ganesh G and Soosai John Rosario (2015)** investigated customer perceptions of FMCG brand loyalty. The items covered in analysing the perspective of customers about brand loyalty were knowledge, awareness, brand attitude, risk of changing the brand, customer faith in the brand, and satisfaction. Image, brand, product knowledge and quality, product characteristics, product involvement, and customer brand loyalty were among the criteria assessed.

**Anuj Thapa (2012)** investigated customer switching behaviour in the context of shampoo brands and discovered that the impact of packaging, price increases in current brands, brand schemes, and the impact of advertising are all factors that influence consumer switching behaviour.

The influence of certain chosen FMCG product television ads with widely utilised negative emotional appeals on the cognitive message processing style of Indian housewives was studied by **Jayswal and Shah (2012)**. According to a study that revealed the various effects of several advertisements with negative emotional appeals, the creative part of advertising is the most essential, and it is true that "what you say is equally important as how you say."

**Deliya, (2012)** studied that importance of packaging design as a vehicle for communication for packaged FMCG products. This research utilized a focus group methodology to understand consumer behavior towards such products. The challenge for researchers in to integrate packaging into an effective purchasing decision model, by understanding consumer's behavior towards the packaging of FMCG products.

**Vani et al. (2010)** investigated customer behaviour in Bangalore city with relation to toothpaste brands and discovered that consumer knowledge of toothpaste is low. The oral care industry in India has a significant potential market due to poor penetration and per capita use of oral care products. The survey also discovered that brand image, toothpaste, and occasionally based on the offer, consumers compare competing products and choose the best one.

**Sridhar and Mishra (2010)** examined the rationale and methodology for researching product adaptation in rural markets, concluding that the study's findings contradict the prevalent perception that rural is regarded differently. The findings, on the other hand,

demonstrate that the contingency hypothesis remains true in the case of product adaptation in rural markets.

**Sukato and Elsey (2009)** investigated male customer behaviour in Thailand while purchasing skin care items. To address the research question, Fishbein and Ajzen's theory of reasoned action is used as a theoretical framework, which is then modified by include the self-image construct. The findings of the study demonstrate that beliefs, self-image, normative influences, and attitudes determine purchasing influences, and attitudes influence purchase intention and behaviour in the purchase of skin care items among Bangkok male customers.

## DATA ANALYSIS AND INTERPRETATION

### Demographic profile

Demographic Profile	Category	Number of Respondents	Percentage
Gender	Male	69	46
	Female	81	54
Age	Below 30 years	120	80
	31-40 years	15	10
	41-50 years	6	4
	Above 50 years	9	6
Educational Qualification	Up to HSC	111	74
	Graduation	15	10
	Post graduation	15	10
	Professional	9	6
Monthly income	Below 10,000	30	20
	10,001-20,000	42	28
	20,001-30,000	27	18
	Above 30,000	51	34
Occupation	Professional	18	12
	Home maker	18	12
	Employed	99	66
	Others	15	10
<b>Total</b>		<b>150</b>	<b>100</b>

Source: Primary Data

The above table shows the demographic profile of the respondents. Out of 150 respondents, 56 percent of consumers are female and 44 percent are male. Eighty percent of those polled are under the age of thirty. 74 percent of the respondents have up to an HSC qualification, and 20 percent of the respondents are below graduation. The monthly income

of 28% of consumers ranges between Rs.10,000 and Rs. 20,000.00.34% of those polled made more than Rs.30,000.In this study area, 66 percent of the respondents were employed.

#### AWARENESS ABOUT FMCG PRODUCTS

Awareness	Number of Respondents	Percentage
Advertisement	108	72
Neighbor	9	6
Friends	18	12
Other factors	15	10
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Primary Data

It is clear from the above table that 72 percent of consumers are aware of advertisements, and 6 percent of customers are inspired by neighbors. In the study area, advertisements play a pioneering role in the creation of awareness about FMCG products.

#### FAMILY INITIATED THE NEED FOR FMCG PRODUCTS

Initiation	Number of Respondents	Percentage
Father	18	12
Mother	9	6
Husband	59	40
Wife	53	35
Children	11	7
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Primary Data

According to table 3, the husband began the demand for FMCG items at a rate of 40%, while the wife initiated the need at a rate of 35%. In the Dharamapuri District, the father has a 12 percent share, the children have a 7% share, and the mother has a 6% share of the family's demand for FMCG items.

### CUSTOMER'S PERCEPTION TOWARDS BRAND LOYALTY OF FMCG PRODUCTS

Statement	SA	A	N	NA	SDA
The brand of a fast-moving consumer goods product is imprinted in the consciousness of the consumer.	20	32	15	5	3
I'm able to distinguish different brands since I'm familiar with them.	28	22	19	3	3
The importance of brand exposure in terms of memory cannot be overstated.	10	5	20	28	12
Due to their performance, FMCG items have gained brand awareness.	37	16	10	7	5
The chosen brand has an excellent reputation.	20	15	25	10	5
Continue to use the same brand.	18	38	15	2	2
Enjoy using this brand	29	17	20	4	5
I always buy my preferred brand and always tell nice things about it.	18	31	16	6	4
I would advise someone about my brand name.	15	39	11	3	7
Share your thoughts about the brand with others.	34	20	10	5	6

Source: Primary Data

The above also revealed a positive perception towards Brand loyalty of FMCG products. The findings show that the brand loyalty is highly influenced by the consumers' perception of the FMCG product buyers in Dharamapuri District.

### 3. CONCLUSION

In the Indian FMCG business, brand association had the greatest impact, showing the importance of creating feelings and ideas with the brand in generating brand equity. This indicates that, as in earlier studies, strong connections that promote a competitively appealing and differentiated brand position might lead to a positive attitude and behaviour toward FMCG brands. The findings also demonstrated the importance of brand loyalty in the creation of brand equity. The study's empirical results supported the existence of a positive and direct link between perceived quality and brand equity.

### 4. REFERENCE

- [ 1] Abhisek Dadhich and Kavaldeep dixit, consumer perception and brand loyalty towards over the counter brand medicines of major pharmaceuticals companies with special reference to Rajasthan; international Journal of Engineering Technologies and Management Research; Dadhich et. Al., 4(9), 2017.
- [ 2] Ganesh and Soosai John Rosario; Consumers' perception towards brand loyalty of FMCG products – an analysis: Asia Pacific Journal of Research, Vol.(XXX), 2015
- [ 3] Pallavi G.S, Shashidhar, A study on consumer behavior towards selected FMCG, International journal of Engineering and Management Research, Vol.5(1), 2015
- [ 4] Dhanaraj V.T, Customer Perception towards the Fast Moving Consumer Goods and Brand Awareness, Proceeding of the International conference on "Business innovation through Technological Advancement"