

A Study of Indian Millennial Online Consumers and Their Buying Behaviour towards Fmcg Products

Reshma S Nair, Abijith A J, Devansh Rajoriya, Dr. Shabnam Narula,

Student, Mittal School of Business, Lovely Professional University, Jalandhar, Punjab

Mittal School of Business, Lovely Professional University, Jalandhar, Punjab

Mittal School of Business, Lovely Professional University, Jalandhar, Punjab

Associate Professor, Mittal School Of Business, Lovely Professional University, Jalandhar, Punjab

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ABSTRACT: The purchase behaviour of consumers relates to the research of customers and how they act when choosing to buy a product that suits their needs. It is an analysis of customer behaviour that causes them to purchase and use those goods. In the advertisement of fast-moving consumer products, consumer behaviour plays an important role. Various factors affect this behaviour. The aim of the study was to define the purchasing behaviour of FMCG products of millennial online consumers. The Fast-Moving Consumer Goods (FMCG) sector is a major contributor to India's GDP growth, so changes in consumer purchasing behaviour towards FMCG products need to be established. The total sample size of this study was 300 and a standardised questionnaire was used to collect the data and this study is descriptive in nature. The buying time saved by customer behaviour and the online applications gained more. However, the purchase of the online application in FMCG products is affected by customers. In Fast Moving Consumer Products, the inductive variables behind the online application.

Key words: Fast Moving Consumer Goods, Consumer Behaviour, Market strategy, Factors influencing.

I INTRODUCTION

As there is a saying "Consumer is the king", this saying signifies the importance of consumers in the business world. The business is an economic activity which is done in order to earn profits and these profits are being gained from the customers who purchase the product. Consumer is any person who makes use of the product. It is not significant whether the consumer should be the buyer but any person who identifies the need and wants to purchase the product. What makes the consumers to buy the products and what are the factors that influence their buying behaviour

comes under the part of consumer behaviour. Businessman tries to identify the need and desires of the customers and then make the products accordingly. It is important for the businessman to identify them to satisfy the customers. As the satisfaction of the consumers is important for the survival of business.

The consumer behaviour is an attempt made to understand the actions and behaviour of consumers by evaluating the purchases made by them. Behaviour consists of emotions, values, feelings, impulsiveness of the person. How much profit is gained by the business depends on how good they are in satisfying the need of the customers. Consumer behaviour is a broad concept, it involves all the kind of decisions taken by the customers in purchasing, returning, and disposing the products. Deep learning of these actions helps the businessman in understanding their needs and desires to satisfy them. Consumer behaviour involves the study of the factors that influence the behaviour of consumer when they make purchase of the products. It is the study of how individual makes decision whether to purchase a product or not. Consumer behaviour is the composition of mental and physical activities undertaken by the consumers to purchase the products. It involves the process of acquiring the product, using them, and throwing away of the products. It is the responsibility of the businessman to produce the products according to the need and desire of the consumers. The only way for the businessman to capture the market is by satisfying the need of the consumers. They must make sure whether they are manufacturing the right products or not. Earlier the business used to sell the products without identifying the needs and this was the ultimate reason why they were not able to make good sales. Now, the businessman knows that the customers are the prominent part in generating the sales and revenue for the business. The business cannot make

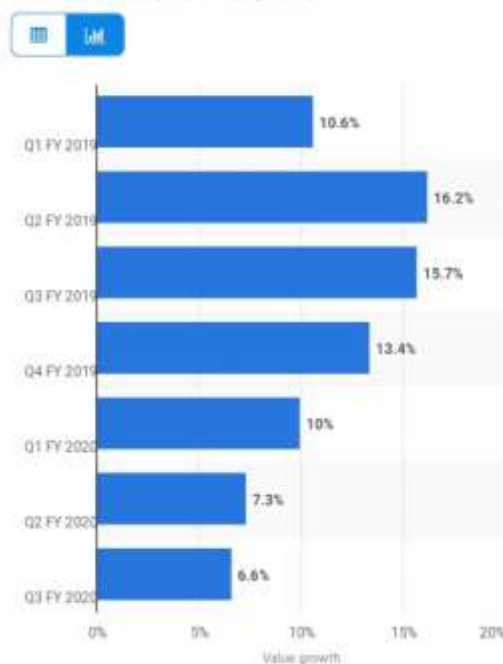
enough sales without understanding what the customers really want. A thorough understanding of what the customers want helps the business in satisfying the customers and defeating the rivals in the market.

1.1 GROWTH OF FMCG IN INDIA

The Indian FMCG division with a market size of US\$14.8 billion is the fourth biggest area in the economy. The FMCG market is set to twofold from USD 14.7 billion out of 2011-12 to USD 30 billion of every 2013. FMCG division will observe more than 60% development in country and semi-metropolitan India by 2014. Indian customer merchandise market is required to reach \$400 billion by 2014. Hair consideration, family unit care, male prepping, female cleanliness, and the chocolates and ice cream parlour classifications are assessed to be the quickest developing fragments. At present, metropolitan India represents 66% of all out FMCG utilization, with rustic India representing the staying 34%. Notwithstanding, rustic India represents over 40% utilization in major FMCG classes, for example, individual consideration, texture care, and hot drinks. In metropolitan zones, home and individual consideration class, including skin health management, family unit care and female cleanliness, will continue developing at generally appealing rates. Inside the nourishments section, it is assessed that handled nourishments, pastry kitchen, and dairy are long haul development classifications in both rustic and metropolitan territories. ITC (Indian Tobacco Company), and Nestlé India, GCMMF (AMUL), Dabur India, Cadbury India, Britannia Industries, Procter and Gamble Hygiene and Health Care, Marico Industries, Nirma, Coca-Cola, Pepsi and others. According to the examination by ASSOCHAM, Companies Hindustan Unilever Ltd, Dabur India starts half of their deals from provincial India. While Colgate Palmolive India and Marico establishes almost 37% individually, anyway Nestle India Ltd and GSK Consumer drive 25 percent of deals from provincial India. A fast urbanization increment in requests, presence of huge number of youthful populaces, an enormous number of chances is accessible in the FMCG area. The Finance Minister has proposed to present a coordinated Goods and Service Tax by April 2014. This is an extraordinarily decent move on the grounds that the development of utilization, creation, and work is straightforwardly proportionate to decrease in backhanded duties which comprise no under 35% of the all-out expense of buyer items - the most elevated in Asia. Basically, Indian market is changing quickly and is

indicating uncommon customer business opportunity. It is in this viewpoint we have chosen to direct an investigation of buyer Behaviour and Buying Decisions in regard of select FMCG items.

Value growth of the FMCG sector in India from 1st quarter financial year 2019 to 3rd quarter financial year 2020



II. REVIEW OF LITERATURE

The purpose of a literature review is to gain an understanding of the existing research and debates relevant to a particular topic or area of study, and to present that knowledge in the form of a written report.

Bhatti&Rehman (2020) examined the perceived benefits and perceived risks effect on online shopping behaviour with the mediating role of consumer purchase intention in Pakistan. The goal of this study is to explore the relationship between various variables, including perceived advantages, perceived risks and online shopping behaviour, and the mediating position of the intention of the customer to buy. The key objective of this research is to analyse the impact of four main variables extracted from similar literature: ease, product range, product risk, and privacy risk. Using clear random sampling, data was obtained from 384 students from various universities. The results showed that benefits had a positive influence and that risk had a negative influence on online shopping behaviour.

Khokkar& Bhatt (2020) define the dimensions of service convenience and validate the multidimensional scale of service convenience in

the increasing sense of online shopping, calculating service convenience and its effect on satisfaction with online shopping in India. Using exploratory factor analysis, four dimensions of online service convenience are recognised, namely search convenience, order convenience, transaction convenience, and post-purchase convenience. The paper also measures the mathematical model relating the four dimensions of convenience to consumer satisfaction. The findings of this research add to the understanding of online convenience and its relevance in driving customer loyalty.

Arora (2019) examined the perception of customers towards online shopping. This study explored the various factors that are affecting the consumer's behaviour towards online shopping. Internet marketing is different from other marketing channels and internet promotes communication between the seller and the end user. The findings of the study were Online shopping Product Information, Online Payment, Convenience and Variety, Consumer Attitude, Easy Accessibility, Flexibility, Price, Consciousness and Challenges of online shopping have been identified as important factors.

Vaidya&Selvamani (2019) examined the consumer behaviour towards online shopping. The study attempted to identify the demographic and socio-economic profile of the respondents and the awareness level of the Consumer towards Online Shopping Features. The findings of the study were applicable to the consumers only in the selected areas and cannot be generalized for other. This study considers only the online product features. The study is been conducted specifically by choosing a product or a company. The product dimensions are identified to be satisfactory and highly correlated. The understanding of the nature, needs and wants of the consumers as such in other business is very much vital for the study.

Bhavnagar&Aditya (2019) Studied the Online Shopping Behaviour of Consumers in FMCG Sector. The study identified the profile of consumers shopping for FMCG in terms of demographics, psychographic and behavioural characteristics, the factors for increasingly shopping for FMCG online and the areas of improvement for e-retailers for FMCG product range. The study has been conducted to know the online shopping behaviour of consumers towards FMCG products in India. The findings showed that convenience is the major factor why consumers buy FMCG products online and timely delivery of the products, counterfeit/fake products are the major areas of improvement that the e-commerce websites and companies should take care.

Saluja& Kumar (2018) examined the changing pattern of consumer buying behaviour in the context of Indian society". The finding showed that the idea of buyer purchasing conduct alludes to the choice of the purchaser whether to purchase or not to purchase an item. Accordingly, the idea of buyer's purchasing conduct is exceptionally hard to comprehend since the customer's purchasing choice is impacted by numerous components. The investigation was focussed to survey the significant parts of the shopper purchasing conduct.

Singh &kushwah (2018) studied the customers behaviour towards online shopping in India. The study attempted to explore the online shopping behaviour of customers in Indian context, the factors influencing online shoppers and consumers in Indian context, the challenge with regards to online shopping in Indian context, why customers prefer online shopping to physical stores in India. The finding showed that the primary zone of concern is restricted web utilization and language issue.

Patel (2018) studied the consumer perception on online shopping. The study showed that online shopping is becoming very popular in our daily lives. The finding showed that online shopping is encountered by most consumers. Most consumers were in the opinion that it is very versatile, and it delivers items quickly in the case of online shopping. Customer also says that they all are satisfied with the details of the product available to them. Customers are satisfied with the decision to purchase through online shopping.

Sadek et al., (2018) examined the Impact of social media brand communication on company-based brand equity Dimensions through Facebook in FMCG. The study examined the impact of Facebook (social media) pages on customer-based brand equity, brand loyalty and brand awareness. The findings showed that social media pages have a positive impact on customer-based brand equity, neutral impact on brand loyalty and the negative impact on brand awareness. This research is conducted on 400 customers who are daily active on Facebook.

Chhabra (2018) studied the factors affecting consumer buying behaviour and decision-making process towards FMCG Products. The study attempted to understand the concept of FMCG products in India, learn and understand the marketing scope of FMCG products in India, find out the factors that is having a huge impact on the buying Behaviour and decision-making process of consumers. The main purpose of this paper was to find out the factors that are affecting the buying behaviour of consumers in purchasing fast moving

consumer goods. The findings showed that the behaviour of consumers varies by location, price, promotion, product, and physiological factors.

Sudhamathi&Soniya (2017) examined the factor influence of online marketing in buying behaviour of FMCG Products. The study identified the customer awareness of online marketing towards FMCG products, the factor that influence consumer behaviour at the time of purchasing of FMCG products through online marketing. The research study explored the buying behaviour of FMCG Products. The findings showed that consumers preferences are largely affected by the factors are price, Availability, Brand Image, Promotional Offer, Advertisement and Quality influences.

Shukla (2017) examined the factors which make consumers use online portals. The main factors are a wide range of products, availability, discounts, free delivery, time-saving factors, friendly terms and conditions, friendly interfaces of web and mobile platforms, cash on delivery services, transparency of quality, reasonable prices. These stand as important factors which are the reasons for the success of the online sale of groceries. The findings of the study showed that the majority of survey participants purchase groceries infrequently; it is therefore practical and efficient to have home deliveries that are normally facilitated by OGS.

Gopiseti&Linganna (2017) examined the consumer buying behaviour towards fast moving consumer goods. The study attempted to find out the Demographic and Socio-economic profile in order to study the consumer brand preference towards Personal Care Products, to analyse the factors that have influenced the consumer buying behaviour towards Personal Care Products. For this study, the primary data has collected from 200 respondents with structured questionnaires. The finding showed that customers prefer branded products because of the extensive advertisements, OBC category accounts most from the respondents and new entrants in the FMCG market tries to capture the customers through television.

Dey (2017) examined the changing buying behaviour of Indian Customers. The aims of the paper were to understand what strategies the advertiser should follow to affect the buying behaviour of the shopper, to perceive and accurately express the distinctive buyer groups, to know the variables that affect their purchasing behaviour, to understand purchasing behaviour and the complex period of the purchaser. The finding of the study were high degree of value orientation is

noted by Indian consumers. In order to get a foothold in the Indian market, luxury brands will have to design a specific pricing strategy. The ideals of nurturing, caring, and affection are also associated with Indian consumers.

Sambargi&Gopal (2016) examined the predicting online buying using Shopping Orientation and a study on online grocery shopping among women. The purpose of the study is to identify female customers and to find out how their online shopping behaviour is affected. The research aims to forecast the use of the preference for women's shopping. This research shows that women with increased utilitarianism are found to be focused on online purchases of FMCG and groceries. The finding of the study were women with an increased orientation towards practical shopping are more likely to buy FMCG/ groceries online.

III. RESEARCH METHODOLOGY

This chapter includes the research methodology of the dissertation. The following section mainly includes objectives, need of the study, research hypothesis, sources of data collection, research approach, research instrument, sampling design.

3.1 Objectives

1. To identify the role of different psychological factors on the consumer behaviour.
2. To examine the marketing strategies adopted to influence the purchase decision of consumer.
3. To identify the motivational factors for the consumers to purchase FMCG on online.

3.2 Need of the Study

To get the better understanding of the factors that influences the buying behaviour of individuals on FMCG products specifically, through online

3.3 Research Methodology

The methodology of research is the essential methods or strategies used to characterize, pick, measure, and assess a theme's information. In an exploration paper, the segment on techniques encourages the pursuer to dispassionately survey the general legitimacy and unwavering quality of an example.

3.3.1 Research Design

The present study is descriptive in nature. Descriptive research aims to define a population, condition, or phenomenon accurately and systematically. This study is descriptive because its

tries to find out the buying behaviour of millennial online consumers towards FMCG products.

3.3.2 Sampling Design

The basic plan and technique for choosing the sample is given by the sample developer. The design of a sample may be simple or complex.

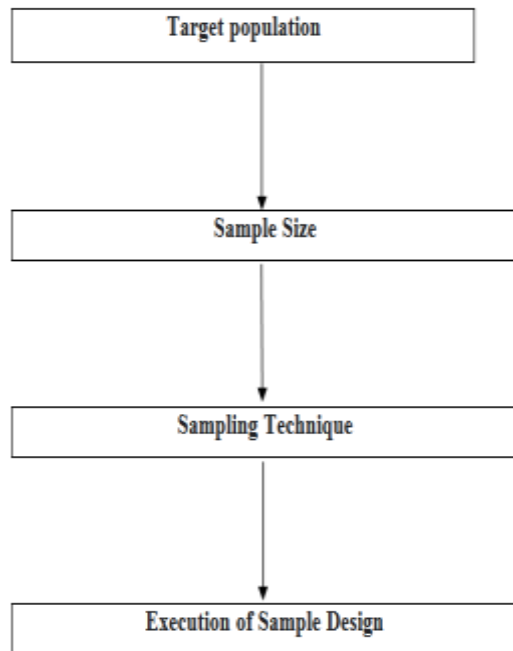


Figure 3.1 Sampling Design Process

Target population

The study is conducted by targeting the audience aged between 21 to 40 and the study is conducted across India.

Sampling size

The sampling size for the study is 300 respondents. The sampling elements or the target respondents were millennial consumers who are choosing online sites for buying FMCG products.

3.4 Statistical Tools

The survey data is been studied with the help of statistical tools such as correlation and regression.

3.5 Questionnaire Design

The design used for preparing questionnaire is likert scale, dichotomous questions, and structured questions.

3.6 Sources of Data collection

Data can be defined as quantitative or qualitative variable values. Data is the maximum number of days which means just giving or

something given. Data is considered to be the lowest data unit where it is possible to perform other measurements and analyzes. Numbers, pictures, phrases, statistics, facts, or ideas can be data. Data cannot be translated, and one must translate it into tangible information to get information from the data. There are several ways to translate data. Data sources are separated by key data and secondary data

- **Primary Data:** Primary data means original data gathered explicitly for the reason in mind. It means that someone first-hand gathered the data from the original source. Primary data has not yet been released and is more accurate, authentic, and impartial. Primary data has not been changed or altered by human beings, so its authenticity is greater than secondary data.
- **Secondary Data:** Secondary data is data which has already been obtained from other sources and is readily accessible. We refer to it as secondary data when we use the statistical approach with primary data from another reason for our reason. This means that primary data for one purpose is secondary data for another purpose. So, the secondary information is information that is being reused. This data can be collected faster than the primary data.

3.7 Research Hypothesis

A hypothesis is a particular prediction argument. It explains what you expect to happen in your research in concrete (rather than theoretical) terms. Not all studies have conclusions. Often an analysis (see inductive research) is intended to be exploratory. There is no formal hypothesis, and maybe the aim of the analysis is to explore some field more deeply in order to establish some particular hypothesis or prediction that can be tested in future studies.

Hypotheses

- H1: Brand Image has significant and positive relationships with purchase objectives.
- H2: Product quality has a significant and positive relationship with purchase objectives.
- H3: Product information has important and positive relationships with purchase objectives.
- H4: Product Involvement has an important and positive relationship with purchase objectives.
- H5: Product labels have an important and positive relationship with purchase objectives.
- H6: Product reliability has an important and positive relationship with purchase objectives.

3.8 Problem Statement

A problem statement is a succinct explanation of a problem to be dealt with or a condition to be built upon. It identifies the difference in a process or product between the current (problem) state and the desired (goal) state. The proposed study is conducted to understand the consumer behaviour towards online shopping and their buying behaviour towards FMCG products specifically. In the marketing of fast-moving consumer products, consumer behaviour plays an important role. Different factors influence this action. In the modern age of globalisation, consumer needs and expectations evolve over time. The Fast-Moving Consumer Goods (FMCG) industry contributes a great deal to India's GDP growth.

IV. CONCLUSION

The study showed that most respondents are ordering or currently purchasing FMCG items from online retailers. As seen in the above graphs, over 80% of consumers are happy with the online purchasing of (FMCG) products. This figure obviously indicates that many of the new buyers are transitioning to internet shopping sites (FMCG) online. Not only has the number of new clients been increased, but the degree of satisfaction is also significantly rising. There are many factors which influence the buying behaviour of consumers like Brand Loyalty, Quality, Price, Cultural and Social factors. The major Factors which are pushing consumers to shop online over offline stores are Heavy Discounts, Variety of Products, Fast Delivery, Availability, Shopping from anywhere and Easy user interface.

From this paper, we get the impression that more and more customers are starting to add themselves and become a part of the e-commerce platform online. All of them assume that, as offline retailers, the e-commerce industry would overtake the conventional way of shopping. This obviously illustrates that, rather than shopping offline, more consumers would rely on online outlets to purchase (FMCG) products.

Not only have new consumers start buying (FMCG) items online, but the degree of satisfaction has also improved. Consumers claim that the quality of ordering products online is changing day by day, and many new technologies are lining up in the e-commerce sector to make the user interface smoother and more comfortable. To purchase essential (FMCG) products online, many consumers can focus on the e-commerce site. This obviously indicates that the e-commerce industry will flourish in the future.

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