

RESEARCH ARTICLE

A Study on Source of Information and Satisfaction of the Sample Respondents Towards the FMCG Products

Somasundaram.S* and P. Balaji

Department of Agricultural and Rural Management, Tamil Nadu Agricultural University, Coimbatore-641 003, India.

ABSTRACT

			The study was conducted in Tamil Nadu to analyze the factors influencing the purchase of FMCG products utilizing 160 sample respondents in the age group of 20 to 40 and it was analyzed using regression and Garrett ranking
			toobnique. The ultimate aim of any company is to take the products to the
		0.011	technique. The utilitate and of any company is to take the products to the
Received	-	29 th August, 2018	hands of the consumer. For this purpose, proper channel of communication is
Revised	:	26 th September, 2018	required. Lifecycle of the produce is being shrinking the customer's mindset
Accepted	:	27 th September, 2018	according to the environment, so short term promotions can be used instead
-		-	of advertisements. The source of information like mass media (62.35) and
			social media (56.96) had high mean score among the sample respondents.
			The satisfaction of the consumer was highly influenced by price of the
			product, brand name, quality and its effective advertisement with mean of 4.42, 4.41, 4.37 and 4.01, respectively.

Keywords: Retail communication programme, FMCG, Regression analysis.

Marketers in the present day are difficult and unpredictable business atmosphere frequently powered by the regular change in the taste of consumers, strong market competition, arrival of fresh participants in the market, availability of substitute produces face heavy challenge to converse their marketing goals. Nowadays the power has been changed from marketers to consumers which has forced marketers to make sure that their products are unique and in a good quality so, that they are loyal to their customers. Likewise, the change in the socio-economic and demographic features of the consumers has changed the consumer's preference and needs towards the produce. This has led to the adaption of new marketing strategies like sales promotion instead of advertisement. In the past few decades, the buying behavior of the consumer has changed never like before days. Customers are having a greater knowledge about the product offerings, they are responding quickly to the product offering (Knight *et al.*, 2004).

Some of the retail outlets like Food world, FMCG, Planet M and Music world in Music, Crossword in book entered the market before 1995. In urban areas, the shopping malls emerged, which gives a world class experience to the consumers. Along with those shopping malls hypermarkets and supermarket are also emerged. Development of the segment incorporates consistent change in supply chain management, distribution channels, technology, back-end operations, etc. leading to more of consolidation, mergers and acquisitions and huge investments (Marquez, 2010). The main objective of the study was to analyze the impact of source of information towards retail communication program among FMCG consumers in Coimbatore city.

MATERIAL AND METHODS

The study was conducted to identify the consumer's perception on retail communication programs for FMCG. It was also conducted to give the suitable retail communication programs that the retailers could be adopted were studied in Tamil Nadu. The Tamil Nadu was purposively selected in order to study the consumer's perception towards FMCG retailers because; it attracts many leading National Corporate Retail Chains. Presently there are major retail stores *viz.*, Spar, Big Bazaar, Reliance and Nilgiris and shrikannan departmental store.

The primary data was collected from the consumers, who purchase FMCG products last one year in the store through a well-structured and pre-tested interview schedule. The consumers were interviewed personally based on their convenience. The purpose of the study was explained clearly to the sample respondents for their better understanding and to ensure their cooperation in order to collect the accurate information regarding the study.

Garrett's ranking technique

Garrett's ranking technique was applied to investigate factors influencing the purchase of FMCG products and impact of retail communication program for FMCG products. Consumers ranked the source of information according to their perception (Malarvizhi, 2018).

Percent position
$$=\frac{100 (R_{ij} - 0.5)}{N_j}$$

Where,

 R_{ii} = Rank given for the ith factor by jth individual

N_i = Number of factors ranked by jth individual

Consumers ranking were converted into scores using the formula by referring to the table given by Garrett and Woodworth. Thus for each factor, the scores of the various respondents were added and the mean value was estimated. The means thus obtained for each of the attributes were arranged in a descending order. The attributes with the highest mean value was considered as the most important one and the others followed in order.

Regression analysis

Regression analysis was used to study the relationship between the retail communication program and socio economic and demographic variables of the sample respondents and also studied the relationship between numbers of FMCG product categories purchased and source of information. The parameters in the regression equation are obtained by using least square method.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$$

Where,

Y = Retail communication program

 β_i = Regression coefficients

X₁=Mass media

X₂=Social media

X₃=Words of mouth

X₄=Print media

X₅=Online

 X_{e} = Direct marketing

Mean and standard deviation

The arithmetic average or mean score of a set of data were computed during the data analysis operations. Mean score was calculated for the questions asked on a 5-point scale. The respondents were asked to indicate their degree of agreement to a statement and the scores were assigned from 1 to 5 (1 for strongly disagree, 2 for less disagree, 3 for neutral, 4 for agree, 5 for strongly agree). Mean score was calculated using the formula:

$$Mean \ score \ = \ \sum \frac{\overline{x}}{n}$$

Standard Deviation is an indicator of the spread of the data (dispersion of a distribution). If mean is taken as the measure of central tendency of distribution, Standard deviation tells us how much each value on an average is away from the mean value. It is equal to positive square root of the arithmetic mean of the squares of the deviations of individual observations from their arithmetic mean. It is calculated by the following formula:

Standard deviation =
$$\sqrt{\frac{\sum_{i=1}^{n} (x_i - \bar{x})^2}{N}}$$

RESULTS AND DISCUSSION

Impact of information source on number of FMCG product purchase

R² value of 0.7065 shows that variables considered for the study explains around 71.65 per cent of the dependent variable. It reveals that the model exhibits with goodness of fit. In the Table 1, the regression analysis was done for the dependent variable, number of FMCG product categories purchased and independent variables of mass media like TV and radio, social media like Facebook, you tube and twitter, words of mouth like friends and relatives, print media like newspapers and magazines, online like websites and direct marketing like e-mail and telephone selling.

Table 1.	Regression	analysis fo	r number	of FMCG	product	categories	purchased
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Particulars of the sample respondent	Coefficients	t value
Intercept	0.945	0.369
Mass media	0.284**	0.132
Social media	0.101**	0.047
Words of mouth	0.182**	0.063
Print media	0.069**	0.058
Online	-0.122 ^{NS}	0.055
Direct marketing	0.951 ^{NS}	0.110

Note: ** significant at 5 percent, NS - Non-Significant

The Table 1 shows that mass media has a major impact on the number of FMCG categories purchased followed by words of mouth, social media and print media. Mass media was positive and significantly influence the number of FMCG categories purchased at 5% level of significance. When the FMCG retailer increases mass media communication by 1 unit the number of FMCG categories purchase will be increased by 0.284 units. Followed by words of mouth were positive and significantly influence the number of FMCG categories purchased at 5% level of significance. When the FMCG retailer increases words of mouth communication by 1 unit the number of FMCG retailer increases words of mouth communication by 1 unit the number of FMCG categories purchase will be increased by 0.182 units. Social media communication was positive and significantly influences the number of FMCG categories purchased at 5% level of significance. When the FMCG retailer increases dat 5% level of significance. When the FMCG retailer increases words of mouth communication by 1 unit the number of FMCG categories purchase will be increased by 0.182 units. Social media communication was positive and significantly influences the number of FMCG categories purchased at 5% level of significance. When the FMCG retailer increases social media communication by 1 unit the number of FMCG categories purchase will be increased by 0.101 units. Communication through print media was positive and significantly influences the number of FMCG categories purchased at 5% level of significance. When the FMCG retailer increases communication in print media by 1 unit the number of FMCG categories purchase will be increased by 0.284 units.

Factors influencing the purchase of FMCG products

Most of the people were educated, so any form of communication could easily reach the consumers. The source of information was classified into mass media (TV, Radio, etc.,), social media (Facebook, You tube, Twitter, etc.,), words of mouth (Friends and Relatives), print media (Newspapers, Magazines, etc.,), online (Websites) and direct marketing (e-mail, telephone selling) (Rutsaert, P. and Z. Pieniak, 2014). From the Table 2 it was inferred that mass media ranked first (mean score = 62.35) followed by social media (mean score = 56.96), words of mouth (mean score = 52.23), print media (mean score = 46.58), online (mean score = 43.00) and direct marketing (mean score = 38.89).

Table 2. Factor	s influencing the	purchase of the	e FMCG products
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Source of Information	Total score	Mean score	Rank
Mass media	9976	62.35	Ι
Social media	9113	56.96	II
Words of mouth	8356	52.23	III
Print media	7452	46.58	IV
Online	6880	43.00	V
Direct marketing	6223	38.89	VI

It could be concluded that majority of the sample respondents were highly influenced by mass media, as its reachability is more. It is followed by social media; with the improvement of technology and smart phones most of the peoples engaged in social media (Rust *et al., 2006*). Traditional ways such as Words of Mouth also have impact and it ranks third in the mindset of most of the consumers. If the consumers were satisfied with the product they will automatically influence their friends and relatives to purchase the product, it is one of the free advertisement to the retailer of company.

Consumers whom having the habit of studying newspapers, magazines, etc., will have impact if they advertise in print media. As most of the consumers were private employees as mentioned earlier, they couldn't able to find free time for reading newspapers, however educated homemakers could find more time for reading the newspapers, magazines, etc. Most of the people didn't like the online marketing (Crotts, 1999). If they were searching for some of the information, in the middle if they were seeing the advertisement means would create a negative impact among the consumers. Likewise direct marketing was also not liked by the sample respondents; they would simply skip the SMS or phone calls.

Categories that influences the purchase	Total	Mean	Standard Deviation	Rank
Price of the product	708	4.425	0.937	Ι
Brand name	706	4.415	0.648	II
Quality of the product	700	4.375	0.601	III
Effective advertisement	642	4.013	0.816	IV
Convenience of purchase	623	3.893	0.757	V
Information availability	613	3.831	0.779	VI
Consumer friendly	597	3.731	0.798	VII
Number of Varieties	592	3.700	0.930	VIII
Regular supply of the produce	581	3.631	0.836	IX
Popular store	572	3.575	0.740	Х

Satisfaction of the sample respondents towards the FMCG products

The satisfaction rating gives an idea on the level of the sample respondent's satisfaction about the different services provided by the FMCG retailers. So, the respondents were asked to rate their opinion on actual performance of same service attributes given in expectation. The data was analyzed and presented in table 2. The table was generated based on the study made by Kalaivani *et al. (2017)*. It could be concluded that majority of the sample respondents were satisfied with the FMCG products. The price of the product is one of the major factors that determine the purchase of the FMCG products, pointed out by the sample respondents with mean score of 4.425 and standard deviation of 0.937. Brand name has an impact on the purchase of the FMCG products with the mean of 4.415 and standard deviation of 0.648.

Quality of the product is very much essential for selling the product successful over long period of time, which is confirmed by the sample respondents with mean score of 4.375 and standard deviation of 0.601. Effective advertisement would have the impact on the purchase of the product, as concluded by the sample respondents with mean score of 4.0 and standard deviation of 0.816. The convenience of the product decides the quantity of buying of the FMCG product; if the store is near sample respondent tends to buy regularly in the same retail store as reaffirmed by the sample respondents with mean score of 3.893 and standard deviation of 0.757.

The availability of information about the product in their packages influences the purchase of the product that is confirmed by the sample respondents with mean score of 3.831 and standard deviation of 0.779. If the retailers are consumer friendly, sample respondents won't switch the retailers as suggested with mean score of 3.731 and standard deviation of 0.798. If they find more varieties of the product in the same brand with the expected quality and quantity they generally won't switch their products, as reaffirmed by the sample respondents with mean score of 3.730.

The consumers would switch the product if their expected product was not available, for this purpose the regular supply of the product is essential as inferred by the sample respondents with mean score of 3.631 and standard deviation of 0.836. Popular store is also one of the factors that influence the purchase of the FMCG products as suggested by the sample respondents with mean score of 3.575 and standard deviation of 0.740. The quality of the product was highly correlated with the brand as stated in the Table 4 with correlation of 0.589. High branded products would always have the high quality. If the brand value increased the information about the product would also increases, as the data also revealed the same with correlation of 0.640. High branded product cannot be fetched at low price; if the brand value increased the price would also increase as the analysis also suggested the same with the correlation of 0.523.

Quality always associated with the brand, as the value of the brand increased the quality also would increase; the above data also exposed the same with the correlation of 0.677. The price and the quality were positively correlated, which revealed that if the quality increased its price would increase as inferred from the data with the correlation of 0.584. The convenience of consumers was related with the number of varieties availability in the retail store, which was revealed from the data with the correlation of 0.650. The consumer would be highly friendly if the price of the product was lesser than they perceived as concluded from the data with the correlation of 0.568. Ho (2014) stated that range of the product and price had a positive impact with β value of 0.224 and 0.281 respectively followed by brand communication and brand performance had a positive impact than brand communication. In addition Ghodeswar (2008) also specified that retail brand positioning; communication and performance had positive impact with β value of 0.267, 0.185 and 0.200 respectively.

Construct	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10
F1	1									
F2	0.589	1								
F3	0.237	0.281	1							
F4	0.640	0.677	-0.001	1						
F5	0.523	0.584	-0.079	-0.106	1					
F6	0.153	0.184	0.650	0.097	-0.151	1				
F7	0.158	0.317	0.252	0.082	-0.276	0.165	1			
F8	-0.112	-0.063	-0.185	-0.022	0.568	-0.317	0.071	1		
F9	-0.202	0.592	0.215	0.118	-0.148	0.213	0.228	0.106	1	
F10	0.328	0.289	0.059	0.415	-0.147	0.116	-0.010	-0.205	0.110	1

Table 4.	Discriminant	validity of	measurement	scale
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F1 - Brand name

F2 - Quality of the product

F3 - Number of varieties

- F4 Information availability
- F5 Price of the product

F6 - Convenience for buying

F7 - Popular store

- F8 Consumer friendly
- F9 Effective advertisement

F10 - Regular supply

CONCLUSION

Information availability would have an impact in value of the brand. The promotional activity was needed for the easy accessibility and remembrance of the product. Impact of source of information on FMCG product categories purchased based on the model it could be suggested that, the case firm may adopt promotional programs like mass media, print media for their promotional information. In addition they can follow social media, words of mouth promotional program. Consumer satisfaction towards FMCG products was greatly influenced by price of the product, brand name, quality and effective advertisement. The sample retailers must focus on their marketing communication programs like below MRP, offering national & private label FMCG brands to improve their sales.

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