ABSTRACT

Business organization reaches to the customers through their goods or services. To sell the products to the customers a number of activities are being performed. This is called marketing and it is an important function. Marketing is the performance of business activities that directs the flow of goods and services from producer to the customer. It is the activity that directs to satisfy the human needs through exchange process. Marketing starts with the identification of a specific need of customers and ends with satisfaction of that need. The customer is found in the beginning and end of marketing process. In marketing a large number of activities are performed. For easy understanding these activities are divided in 4 groups for products and 7 groups for services. These elements are product, price promotion, placement for products and three additional elements for services are process, people and physical evidence. These are called elements of marketing mix. India is a growing nation with 125 crore population with wide opportunities for business and FMCG service sector has many leading player in the market for all segments. The present study reviews the marketing aspects of FMCG in india and analyses the factors influencing buying of food, health and beverages in mysore District.

Keywords--- Business, customers, marketing, product, price promotion, placement, price, promotion, placement, FMCG

I. INTRODUCTION

Indian industry is a fast developing industry. Fast Moving Consumer Goods (FMCG) are more in demand and frequently purchased by customers. These goods include all consumable goods (other than pulses and grains) and consumers buy at regular intervals in small quantities. Main items in this category are detergents, soaps, shaving products, shampoos, toothpastes and brushes, packed food stuffs, household accessories, creams, oils, tea, coffee etc. The major players in the markets are HUL, Nestle, P & G, Colgate, ITC, Nirma, Britannia, Amul, Emami, Marico and Dabur and Patanjali. Every family spends a large portion of monthly budget on FMCG products. Contribution of FMCG sector in every economy is significant. Now, due to globalization, every economy is facing tough competition. Entries of MNCs and cheaper import have made the situation more difficult. To carry out the business in this sector, it has become very difficult.
products and increase sales. In sales promotion mainly three parties are involved i.e. consumers, traders and sales force. “Sales promotions include incentive offering and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural responses of the firm’s customers”.

II. REVIEW OF PREVIOUS STUDIES

Srivastava and Kumar (2013) analysed that FMCG sector is a vital contributor to India’s Gross Domestic Product. It has been contributing to the demand of lower and middle-income groups in India. Over 73% of FMCG products are sold to middle class households in which over 52% is in rural India. Rural marketing has become the hottest marketing arena for most of the FMCG companies. The rural India market is huge and the opportunities are unlimited. After saturation and cutthroat competition in urban areas, now many FMCG companies are moving towards the rural market and are making new strategies for targeting the rural consumer. The Indian FMCG companies are now busy in formulating new competitive strategies for this untapped potential market. Therefore, a comparative study is made on growth, opportunity, and challenges of FMCG companies in rural market. One of the most attractive reasons for companies to tap rural consumers is that an individual’s income is rising in rural areas and purchasing power of lower and middle income groups is also rising and they are eager to spend money to improve their lifestyle. This research paper provides detailed analysis about the contribution of FMCG industry in growth of Indian rural market and aims to discuss about customer attitude towards better purchasing decision for FMCG products in rural market with growing awareness and brand consciousness among people across various socio-economic classes in rural market.

Aggarwal (2014) suggested that Consumer behaviour research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Firms can satisfy those needs only to the extent they understand their customers. The main objective of this paper is to study the demographic differences in consumers’ buying behaviour of persons living in Madhya Pradesh and when they buy FMCG products. To attain this objective a survey was developed and administered across some part of Madhya Pradesh. The findings confirm the factors influencing consumer buying behaviour for tooth paste brands available in the market.

Sulekha and Kiran (2013) concluded that in India more than 72% population lives in villages and FMCG companies are famous for selling their products to the middleclass households; it implies that rural India is a profitable and potential market for FMCG producers. Rural consumers’ incomes are rising and now they are more willing to buy products which improve their lifestyle. Producers of FMCG have to craft unique marketing strategies exclusively for rural consumers. In this process they need to understand the rural consumer buying behaviour which may differ geographically. The present study focuses on understanding the rural consumer buying behaviour for FMCG in Haryana. The study emphasizes on the factors which influence the purchasing pattern of rural consumers. The study was conducted in four districts of Haryana namely Panipat, Jind, Kuruksetra and Gurgaon.

Yuvarani (2013) analysed that liberalization of the Indian economy had far reaching consequences, which led to the free entry of global brands in Indian markets. Earlier companies focused their marketing efforts towards the urban markets targeting the educated consumer. However with the saturation of markets in the urban sector, many companies focused their attention towards the fast growing rural sector. Since the buying behaviour of rural consumers has become the hot topic for discussion because rural India, in recent days, is enthusiastically consuming everything from shampoo to motor cycles and this —rural predilection—is being considered as one of the significant topics for market analysis. The study focuses mainly on the rural consumer behaviour towards selected FMCG products, but with the prevailing trend it is necessary to focus on the essence and emergence of vibrant rural marketing efforts of FMCG companies. Thus, with more number of companies entering into the rural market, with a variety of products, it is must for companies to study the rural consumer behaviour over FMCG products. This study will highlight the rural consumer behaviour before purchase, at the time of purchase and post- purchase. The commodities chosen for the research are shampoo, bathing soap, toothpaste, biscuits and mosquito coil/liquid. The commodities selected for the research has been done on the basis of products available for respective industries: hair care; skin care; oral care; food and beverages; and mosquito repellants.

Deliya, 2012 studied the importance of packaging design as a vehicle for communication for packaged FMCG products. This research utilized a focus group methodology to understand consumer behaviour towards such products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumer’s behaviour towards the packaging of FMCG products. When consumers search for the process information in-store, the product's package can contain relevant and useful information for the consumer. Product packaging forms the end of the 'promotion-chain' and is close in time to the actual purchase and may therefore play an important role in predicting consumer outcomes. Packages also deliver brand identification and label information like usage instructions, contents, and list
of ingredients or raw materials, warnings for use and directives for care of product.

Venkat and Khan (2012) revealed with more than six hundred thousand villages and more than 70% of the population, rural India has become a massive consumer goods market. FMCG has emerged as a major product category in rural consumption. Companies marketing FMCG to rural consumers cannot merely extend their general marketing strategies to rural markets. Instead, they need to devise rural specific strategies. In this process, they need to understand crucial issues relating to rural consumer behaviour and more specifically relating to different geographic regions of the country. This paper focuses on understanding factors that affect the rural purchase of FMCG in South India. Empirical study was conducted in 8 districts of South India to identify the key influencing variables. Factor analysis was used to form 24 key variables into five groups (influencing factors). Influence of retailers' recommendations has emerged as the most significant variable in the trust factor. According to the study, rural consumers in South India consider that usage of FMCG contributes to their lifestyle.

Tauseef, 2011 attempted to find the variables/factors that affect customer impulsive buying behaviour in FMCG sector considering retail market in India. The impact of various impulse buying factors like sales and promotions, placement of products, window merchandising, effective price strategy etc., on customer buying behaviour have been analyzed. A hypothetical model was created in this paper, which had been taken into consideration for our research work on impulse buying behaviour of consumers. The study is based on the primary data collected from Shopping malls, Handlooms and marts from the area of JODHPUR with the help of structured questionnaire on Likert scale. Data analysis has been done using SPSS software. The statistical analysis method employed in this study was Factor Analysis. After the thorough analysis of the available data it was found that since income of each individual is increasing and more and more people are moving towards western culture in dressing sense, in eating etc., so the purchasing power of people has really gone up and thus the impulsive buying of commodities is on a high trend mainly due to pricing strategies of retail players and full festival offers throughout the year.

Hirekenchanagoudar, 2008 examined the buying behaviour of ready-to-eat food products by consumers of Hubli and Dharwad. A total sample of 200 respondents was selected for the study. Majority of respondents were aware of Parle-G, Lays, Frooti and Amul brands in case of biscuits, chips fruit juice and ice creams respectively. Television was the major source for getting information about various brands in all the four products. Biscuits were consumed by all the respondents because of their convenience to use as snacks. About 92 per cent, 93 per cent and 94 per cent of the respondents consumed chips, fruit juice and ice creams respectively. Taste was the main driving force for purchase of chips, fruit juice and ice creams. Health consciousness was the main factor for not purchasing chips among the respondents. Majority of the respondents were not purchasing fruit juice because they preferred home made products. Dislike towards the product was the main reason for not purchasing ice creams. The average monthly expenditure on ready-to-eat food products was found to be highest in case of high income group. Planned purchase was common among majority of the respondents for biscuits and fruit juice. However, most of the respondents did impulsive buying for chips and ice creams. Parle-G, Lays, Maaza and Amul brands were highly preferred brands of biscuits, chips, fruit juice and ice creams respectively. The main factors influencing brand preference for biscuits, chips, fruit juice and ice creams were quality, taste and reasonable price. Most of the respondents would go to other shops if preferred brand in all the four products was not available. Thus, the study revealed that the younger generation preferred more ready-to-eat food products than the other age groups. The consumer behaviour also varies from product to product.

Sarwade (2002) analysed a study on the emerging dimensions of buyer behaviour in rural area. It is observed that the role of husband in family purchasing decisions in various items was comparatively less than that of housewife. The study reveals that, the consumer purchases the convenience goods in rural market was mostly did once a week and it is monthly for daily consumption goods such as toothpaste, shampoo, talc. With the increase in real income of rural people, a shift was found to have taken place in the items consumed by the rural consumers. It was also found in the study that most of the consumers from rural area developed brand familiarity with brand names, which are heavily known in urban areas. The buying behaviour in general and buying decisions in particular in rural area is influenced by the factors like price, availability of products. It is very interesting finding from the survey of that, most of the consumers from higher income group generally purchase the products, which are highly popular in urban area. It also conducts that majority of the customers get the new product information from the shop keeper as against the television and price is the most influencing factor, which influences the purchasing decision as compared to quality.

Grover (1991) investigated the preference to obtain information about the store for purchasing toothpaste from personal sources was quite limited in all social class, the amount of interpersonal search about the store to be patronized for purchasing toothpaste generally declined. However, the buyers in the lower uppers social class did not engage in any interpersonal search. In both the lower lowers and upper lowers social class, among various personal sources of information about the store, neighbours followed by friends was the most significant
source of information. In the lower middle social class also, friends and neighbours were the major sources of information, though friends were consulted more often than the neighbours. In the upper middle social class, unlike other social classes, spouse was an important provider of information about the store. In the upper uppers social class, friends were the only provider of information about the store.

III. SAMPLING METHOD

Multiple-stage sampling has been used for selecting the sample. In the research study, probability systematic random sampling has been used for collecting the data; it is also called an Nth name selection technique. This method is used because under this procedure each element in the population has a known and equal probability of selection. Further, probability random sampling has been used for giving equal probability to every unit.

IV. SAMPLING FRAME

A decision has to be taken concerning a sampling unit before selecting a sample; sampling frame may be geographical one such state, district, village etc. It is the list of sampling units or elements from which the sample or some proportion of the sample is actually selected or drawn. So, in this research study sampling frame is the state i.e. Karnataka and mysore district is selected.

V. SAMPLING SIZE

This refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large nor too small, it should be optimum. The study is based on stratified random sampling. A sample of 600 is taken for the given research study.

5.1. Problem definition:

Customer nowadays buying FMCG products based on various aspects. It is very essential to satisfy different types of customers by providing proper customer satisfaction. Food and beverages are no more exceptions. So the study to analyse the factors influencing the buying behavior of the same is essential.

VI. FACTORS INFLUENCING BUYING FOOD, HEALTH AND BEVERAGES

The table given below grouped factors with the help of rotated component matrix and principle component extraction. There are number of factors influencing the purchasing behavior of products and they are grouped into 5 factors which are as follows:

The factor 1 includes Flavour/Taste, Freshness, Protein Content/Nutritional Value/Quality, Size, Company/Brand Image, Intended Benefits, Affordability, Low/Reasonable Price, Past Experience, Friend’s Recommendation, and Shopkeeper’s Recommendation. The factor 2 includes Brand Loyalty, Government Promotions, Availability, Brand Awareness, Packaging, Dignity whereas factor 3 includes Brand Visibility, Life Style, Promotions and factor four has Relationship Marketing, Product Education, Free Offers, Brand Endorsement finally factor 5 is shelf display. Factor one has more influence than others and so on.

<table>
<thead>
<tr>
<th>FACTOR INFLUENCING BUYING FOOD, HEALTH AND BEVERAGES</th>
<th>F1</th>
<th>F2</th>
<th>F3</th>
<th>F4</th>
<th>F5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flavour/Taste</td>
<td>0.702</td>
<td>-0.376</td>
<td>-0.322</td>
<td>-0.075</td>
<td>0.256</td>
</tr>
<tr>
<td>Freshness</td>
<td>0.618</td>
<td>-0.394</td>
<td>0.469</td>
<td>-0.092</td>
<td>0.051</td>
</tr>
<tr>
<td>Protein Content/Nutritional Value/Quality</td>
<td>0.766</td>
<td>-0.407</td>
<td>0.011</td>
<td>-0.062</td>
<td>0.226</td>
</tr>
<tr>
<td>Size</td>
<td>0.689</td>
<td>-0.038</td>
<td>0.21</td>
<td>0.368</td>
<td>0.019</td>
</tr>
<tr>
<td>Company/Brand Image</td>
<td>0.818</td>
<td>-0.178</td>
<td>-0.25</td>
<td>0.02</td>
<td>0.255</td>
</tr>
<tr>
<td>Intended Benefits</td>
<td>0.525</td>
<td>-0.164</td>
<td>0.681</td>
<td>0.15</td>
<td>0.116</td>
</tr>
<tr>
<td>Affordability</td>
<td>0.596</td>
<td>-0.481</td>
<td>0.372</td>
<td>0.064</td>
<td>0.177</td>
</tr>
<tr>
<td>Low/Reasonable Price</td>
<td>0.304</td>
<td>0.318</td>
<td>0.744</td>
<td>0.157</td>
<td>0.114</td>
</tr>
<tr>
<td>Past Experience</td>
<td>0.784</td>
<td>-0.018</td>
<td>-0.276</td>
<td>0.149</td>
<td>-0.175</td>
</tr>
<tr>
<td>Friend’s Recommendation</td>
<td>0.825</td>
<td>0.163</td>
<td>-0.057</td>
<td>0.323</td>
<td>-0.257</td>
</tr>
<tr>
<td>Shopkeeper's Recommendation</td>
<td>0.771</td>
<td>0.241</td>
<td>-0.068</td>
<td>0.388</td>
<td>-0.218</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>-0.009</td>
<td>0.702</td>
<td>-0.336</td>
<td>0.13</td>
<td>-0.278</td>
</tr>
<tr>
<td>Government Promotions</td>
<td>0.204</td>
<td>0.689</td>
<td>0.017</td>
<td>0.017</td>
<td>-0.331</td>
</tr>
<tr>
<td>Availability</td>
<td>0.09</td>
<td>0.569</td>
<td>0.339</td>
<td>-0.566</td>
<td>-0.146</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>0.222</td>
<td>0.622</td>
<td>-0.027</td>
<td>-0.607</td>
<td>-0.004</td>
</tr>
<tr>
<td>Packaging</td>
<td>0.358</td>
<td>0.551</td>
<td>0.404</td>
<td>-0.214</td>
<td>-0.365</td>
</tr>
<tr>
<td>Dignity</td>
<td>0.196</td>
<td>0.645</td>
<td>-0.222</td>
<td>-0.382</td>
<td>-0.255</td>
</tr>
</tbody>
</table>
VII. CONCLUSION

Marketing of non-durable goods or Fast Moving Consumer Goods (FMCG) is a subject that has not received the attention it deserves. While there are several good books and articles on the subject that largely concentrates either on the marketing of industrial goods or on the marketing of durable goods likes T.V., Car and Scooter etc. In India, specific studies on brand choice for consumable non-durable goods have received little attention from researchers. India is one of the fastest growing markets of the world. The potential not only lies in urban India but in rural India also. Thus marketers need to understand the consumer behaviour overall market and then design marketing programmes in which they need to associate with the lifestyle of various people. They need to be addressed in their language by their own hero and associate the brand with the celebrations, festivals, meals, and other cultural activities for satisfaction of consumer needs.

VIII. SUGGESTIONS

Rural customers trust retailers in their villages. During the field visits, it is observed out that though the retailers are aware of the fact that their customers listen to them, they are not aware of this wonderful principle called, the „Trust Factōr. The companies must educate rural retailers about such modern marketing principles for a better performance. As price influences rural purchase of FMCG products, it is recommended to pursue the low-price strategy in rural marketing. Attaining low price not only requires low-cost manufacturing but also performing various marketing activities such as promotion and distribution in a cost effective manner. It is also recommended to promote goods on price plank. For rural customers, value for money results when the purchased FMCG products meet the intended benefits. As the study revealed that the rural customers (along with price) also think about quality, performance, reliability, brand and other critical aspects, it is recommended to promote FMCGs in lines of rationality rather than just making low price appeals

REFERENCES