CHAPTER II

REVIEW OF LITERATURE

2.1 INTRODUCTION

The introduction and research design of the study used in this research are presented in the first chapter. This chapter presents the review of literature for consumers’ behaviour towards Fast Moving Consumer Goods from the journals published in India and abroad as well.

2.2 REVIEW OF LITERATURE

Mowen (1988)\(^1\) found that the focus of many consumer decisions was more on the feelings and emotions associated with acquiring or using the brand or with the environment in which it was purchased or used its attributes. The decision process discussed helps to gain insights into all types of purchases like whether consumer’s decision was attribute-based or driven by emotional or environmental needs.

Kent.J and Chris Allen.T (1994)\(^2\) in his study “Competitive Inference Effects in Consumer Memory for Advertising: The Role of Brand Familiarity”, explained that brand familiarity captures consumer’s brand knowledge structures, that is, the brand associates that exist within a consumer’s memory. Although

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many advertised products are familiar to consumers, many others are unfamiliar, either because they are new to the market place or because consumers have not yet been exposed to the brand. Consumers may have tried a familiar brand or they may have family or friends who have used the brand and told them something about it.

**Baiding Hu (1997)** stated that the success of the economic reforms in rural China has raised the living standards of rural households. This is reflected in households' consuming goods and services that were not previously part of their consumption pattern. However, because of differences in economic and demographic characteristics, not every household has been able to increase consumption. Consequently, it will be useful to investigate how the likelihood of consuming such goods and services is affected by economic and demographic factors. In this paper, the profit model is used to compute the marginal and mean probabilities of consumption of five such goods and services, namely, Food away from home, Recreation, Medical Care, Transport and Postage. The empirical results show that the estimated probabilities of consuming the first three goods are more sensitive to changes in the underlying economic and demographic factors, while the probabilities of consuming the latter two goods are more sensitive to changes in the model structure.

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Jarvis (1998) identified that a purchase decision requires a subset of decisions associated with information search. At some point in time, consumers acquire information from external sources that gets stored in long-term memory. For most consumers, usually this stored information, referred to as internal information, serves as the primary source of information most of the time as is evident in nominal or limited decision making.

Narayan Krishnamurthy (1999). In his article “Signs Speak Lowder” has pointed out that semiotics primarily works best for products that have low – involvement at the time of purchase, and had very frequent usage. Fast moving consumer goods (FMCG) such as soaps, shampoo, types goods and tea were the one that fit the bill best Mnemonics also became crucial to nurture and retain place in mind space. The shelf – life of FMCG products was short enough for most to remember those products by their symbols, colors and names, or a combination of those elements. The low levels of literacy in rural India acts positively for signs and symbols along with visual looks to succeed.

Upadhyay.Y (1999) identified significant differences between rural and urban areas on the basis of the role played by different members of a family in

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purchase decision of non-durable goods. As initiators, husbands and kids are more prominent in rural areas, while wife is more prominent in the urban areas.

Vasudeva.A (1999)\textsuperscript{7} observed that the proportion of households, which are brand loyal to one or more brands, are similar in urban market and rural markets. Toothpaste is the only product for which rural market shows greater brand loyalty than the urban market. The rural brand loyal consumers were found to be comparatively more price conscious than the urban brand loyal for detergent powder and toilet soaps.

Rajeev Batra (2000)\textsuperscript{8}. in his article, “Effects of Brand Local and Nonsocial Origin on Consumer Attitudes in Developing Countries”, The study tested whether the brand has perceived a nonlocal country of origin especially from the West, and the consumers attitudinally preferred to brands seen as local, for reasons not only of perceived quality but also of social status. The results, thus, suggest that in developing countries, a brand's country of origin not only serves as a “quality halo” or summary of product quality (cf. Han, 1989), but also possesses a dimension of no localness that, among some consumers and for some product categories, contributes to attitudinal liking for status-enhancing reasons.


Leszczye, et.al (2000)\(^9\) in their study “Consumer Store Choice Dynamics: An Analysis of the Competitive Market Structure for Grocery Stores” analyzed that the store choice is a dynamic decision which can be conceptualized as a problem of deciding, when and where to shop. The first decision is the traditional store location choice problem where as the second is the shopping trip incidence problem relating to the timing of shopping trips. The two decision processes are correlated. Store choice is dependent on the timing of shopping trips as consumers may go to a local store for short “fill-in” trips and go to a more distant grocery store for regular shopping trips.

Kannan.S (2001)\(^{10}\), pointed out that many companies take different routes to reach rural consumers, FMCG used the weapon of sachets to modify and motivate rural consumers to try their products and it is reaping, good results as the recent survey clearly indicates that 80% of the companies’ revenue comes from small stock keeping units.

Kevin J. Clancy (2001)\(^{11}\) has conducted research into the state of brands in America. The results demonstrate that consumers can’t see differences...
between major brands in most products and service categories. As a result, more people buy products based on price.

**Kim et.al (2002)** in their analysis “Cross Cultural Consumer values, Needs and Purchases Behavior” argues that customer values get influenced by product attributes and consumption behavior and they consider customer values as an output of culture. Advertisement can influence customer perception. Due to cultural differences, the perception may differ. Little attention has been focused on the Indian culture and their perception to global advertisement. Therefore, this can be helpful to global brands, especially when India is one of the top emerging markets.

**Keshav Sharma et al., (2002)** in their study “Rural Marketing Challenges in the New Millennium” found that the rural consumers believed in joint buying decision making in consultation with the elders and the ladies of the house for their personal use according to their own independent buying decisions. Advertisement with rural culture and regional/local language attracted the audience. All the respondents felt strongly about their customs and traditions. The respondents were aware of the availability of the products. They preferred quality to price.

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Sarwade (2002) in his study attempted to analyze marketing and consumer behavior aspects in rural areas with reference to three villages namely Adul, Paithan and Sangri (s) from the marathwada region. The study revealed that the role of a husband in the family purchasing decisions in various items was comparatively less than that of a housewife. It was found in the study that most of the consumers from rural area developed brand familiarity with brand names such as Lipton, international Lux, Keokarpin, Brahmi Amla, Pantene which were heavily used in urban areas. An interesting finding of the study was that overall consumption pattern of the rural consumers had changed. Consumption expenditure for non – durable items had increased considerably during the study period. Farmers should like risk bearing capabilities and self-dependence.

Nillo Home (2002) in his study focuses on the relationship between consumers and grocery stores in the countryside. More attention must be paid towards retailing and consumer behaviour in rural areas since a lot of studies have focused on urban consumers’ buying behaviour while paying rather little attention to that of rural inhabitants, especially in sparsely populated areas. The buying behaviour of rural consumers and the positive and negative features connected with the product and service supply of rural stores are examined. The study ideates the most relevant store choice factors of an ideal grocery store and


\[15\textbf{Nillo Home}, \textit{“Rural Consumer’ Patronage Behaviour in Finland”}, \textit{The International Review of Retail, Distribution and Consumer Research}, \textit{Vol.14, No.7}, September 2002, pp.149- 164.\]
the most important features which best describe the rural store. Factor analysis revealed the dimensions according to which rural consumers evaluate grocery purchasing, and homogeneous customer groups with different shopping orientation and were formed using cluster analysis.

Ganeshmoorthy, et.al (2003) in their study “A survey of selected consumer products in rural marketing areas”, aim to analyze the brand loyalty of the products and the influence of mass media in rural markets. The study revealed that mass media had a significant role in the sales promotion of the select products. In mass media it adds that consumers wanted to buy good quality products, that too at a reasonable price; consumers give more preference to quality. The next preference was given to factors such as price and availability.

Lokhande.M.A (2003) in his study, “Rural Marketing - A Study of Consumer Behaviour” analysed that rural consumer has become enough aware about his needs and upgradation of his standard of living. IT, government policies, corporate strategies and satellite communication have led to the development of rural marketing. Although income is one of the major influencing factors, caste, religion, education, occupation and gender also influence the buyer behaviour in rural areas.

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Verma.D.P.S and Surrender Munjal (2003)\textsuperscript{18} in his article, “Brand Loyalty Correlates: Study of FMCGs” identified the major factors in making a brand choice decision namely quality, price, availability, packaging and advertisement. The brand loyalty is a function of behavioural and cognitive patterns of a customer. The age and demographic variables affect significantly the behaviour and cognitive patterns of the customers while other demographic characteristics such as gender and marital status are not significantly associated with these behaviour and cognitive patterns of the consumers.

Pradeep Kashyap (2003)\textsuperscript{19}, examined and revealed that rural people evolved systems of selling and communication that served there well for centuries. Haats could serve as both sales outlets and redistribution points as village shopkeepers also frequent them to replenish stocks. He had also examined that the army of mobile traders who go from house to house in rural India to sell a variety of FMCGs (mostly takes) could be motivated so that at least some could be converted to sell genuine company brands. He also revealed that advertising agencies should entrust development of rural communication packages to professionals hailing from small towns as they could have a better connection with rural mindsets.


Emin Babakus.G (2004) in his report “Reactions to Unethical Consumer Behaviour across Six Countries” examining individual tolerance for unethical consumer behaviour provides a key insight into how people behave as consumers worldwide. In this study, consumer reactions to 11 unethical consumer behavior scenarios were investigated using sample data from Austria, Brunei, France, Hong Kong, the UK, and the USA. Nationality is found to be a significant predictor of how consumers view various questionable behaviors. Gender is not a significant predictor, while age and religious affiliation are found to be significant predictors of consumer ethical perception. The study identifies distinct consumer clusters based on their perceptions of consumer unethical behavior. Implications of the findings are discussed and future research directions are provided.

Krishna Mohan Naidu. J (2004) in his study “An Evaluation of Consumer Awareness in Rural Markets” attempt had been made to analyze the awareness level of rural consumers. It was found from the study that awareness of the rural consumers about the consumer movements were qualitative in character and cannot be measured directly in quantitative terms. There is no fixed value or scale which will help to measure the awareness. But the awareness had been studied with the help of their responses to various questionnaires relating to

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consumer movements, cosmetics, banking services, drugs, food products, tooth pastes and hair oil. Awareness levels were higher in the above said segments in Ranga Reddy of Andhra Pradesh.

Rajnish Tuli and Amit Mooherjee (2004)\textsuperscript{22} in their article “Retail Formats: Patronage Behaviour of Indian Rural Consumers” found that the rural consumer prefers to meet his immediate and day-to-day needs from village shops and avoid a comparatively higher transportation cost at the same time; bulk purchase will drive them to the periodic markets to avail the ‘bargain’ and promotional incentives which will negate the impact of shopping cost incurred. Rural consumers patronize village shops to meet their credit-based impulsive requirements. On the other hand, cash rich consumers with no urgency, prefer to purchase from periodic markets to avail the benefits of low prices, discounts and varieties etc., which in turn motivate rural consumers

Malini Reddy (2004)\textsuperscript{23} in her study points out that a marketer had to face an entirely different set of conditions and problems when marketing in rural areas as compared to urban areas. Rural marketers need to have an open mind, and sensitize themselves to understand the rural consumer. Apart from understanding the consumer, communication in the language that the rural consumer comprehends is a challenge that the marketer has to face. Creative approaches to providing a satisfactory offering, in terms of adaptation to consumer needs of the


rural market reflected in products offering as well as message used, were absolute essentials to achieve success in the Indian market.

Jain, A and Rathod, R.M (2005)\textsuperscript{24} in their study “Distribution and Retailing Trends in Rural Markets - A Study in Villages of Gujarat”, found that customers were not happy with product quality and variety available in the rural market. Promotional offers also never reached rural consumers and retailers were found selling promotional items separately. Proper marketing strategies are needed to prevent product imitation.

Bishmupriya Mishra and Sakthivel (2005)\textsuperscript{25}, in their survey aimed to find out the quantity and frequency of purchase of FMCGs by rural consumers. The study revealed that majority of the products were not used by the rural consumers but they become a part of their lives, due to sachets and cheaper prices. It is very evident that small packets have really modified the buying behavior of rural consumers to a large extent. It adds that shampoo is fancy among the rural followed by spices, toothpaste, washing powder, fairness cream and so on. It vividly portrays the consumers’ preference to buy FMCGs in sachets. They also observed that toilet soap is yet another product as it is consumed regularly and may be preferred by travelers. The study concluded that sachets facilitated rural consumers to try new products and also played a vital


role in modifying their buying behavior and above all, a major change in their lifestyles. Hence, sachets may be viewed as a sales promotion tool for modifying buying behavior rather than a yet another innovative form of packaging.

AydınÇelen and TarkanErdogan, (2005)²⁶ “Fast Moving Consumer Goods Competitive Conditions and Policies”, fast moving consumer goods (FMCGs) constitute a large part of consumers’ budget in all countries. The retail sector for FMCGs in Turkey is in the process of a drastic transformation. New, “modern” retail formats, like chain stores and hyper/supermarkets, have rapidly diffused in almost all major urban areas, and increased their market share at the expense of traditional formats (grocery shops, green groceries, etc.) in the last couple of decades. This rapid transformation has raised concerns about competitive conditions in the sector. This study is aimed at to shed light on competitive conditions prevailing in the FMCGs retail trade sector in Turkey. We analyze how the structure of the market is being transformed in recent years by new retail formats. The study is focused on the analysis of competitive dynamics (inter-firm rivalry, pricing and non-price policies, barriers to entry, regulatory conditions, etc.) within the sector, and draws lessons for competition policy.

Madhavi.C and Arulkumar.S (2006)²⁷, in their study pointed out that most of the rural consumers are influenced by quality of the product. So the

FMCGs Companies should strictly adhere to the quality standards. Price is the second factor that influences the purchase of the product in most cases and hence the product should be reasonably priced. They concluded that FMCGs companies could significantly increase the market share by extending attention to rural areas. More generic product with different advertisement campaigns surely attracts non-users.

**Archna Shukla (2006)** in her article “HaatsRus” states that residents of at least four villages visit saunda Heat in Meerut district of Uttar Pradesh every Thursday, as do merchants from the same villages. There are around 60 stalls in Haat selling everything from groceries to apparel to kitchenware to fresh produce. Few of the brands which are familiar are parlea, Tiger, Parachute and lifebuoy. She further adds that saundaHaat is one of 47,000 that is serving the needs of 742 million. She concludes that despite constraints, the rural market especially for Fast Moving Consumer Goods (FMCGs), apparel, footwear and fuel is bigger than the urban market.

**Ranganathan (2006)**, Chairman and Managing Director, CavinKare, India (Pvt) Ltd, in his article pointed out that in the last decade; increased competition has driven down margin for all the FMCG players. He further added that it is time for FMCGs players to innovate not just in products, but in distribution, packaging, pricing, consumer promotion, communication and

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supply chain to gain a distinct advantage over competition and fuel their growth. He concluded that the future for the FMCGs sector is very bright.

**Anandan.C (2007)**\(^{30}\) in his report “A Study on Brand Preferences of Washing Soaps in Rural Areas” found that quality is the major driver to prefer a particular brand in washing soaps in the rural market. Power soaps are ruling the rural market. If the preferred brands are not available, customers buy the available brands. It is found that there is a significant relationship between the age of the respondents and the factors influencing the customers’ brand preferences. It is also found that there is no significant relationship between the type of income of the respondents and the factors influencing the customers’ brand preferences. Higher price and non-availability are the key reasons for dissatisfaction of the rural customers. Marketers should target the customers with high qualitative soaps at affordable prices. They should concentrate on distribution strategies, as non-availability had been an important factor for dissatisfaction.

**Rajesh Shinde (2007)**\(^{31}\) in his study “Recent Facets of Consumer Behaviour: A Case of Rural Market” analyzed that rural India has more than 70% population in 6.27 lakh villages, which is a huge market for FMCGs. All the income groups purchase the FMCGs but their brands differ from each other. The


place of purchase, which the rural consumer prefers, is the weekly market, which is a good channel of distribution of FMCGs. Moreover the youth who visit the taluk place or district place are influenced by the city culture and it is reflected in their purchasing decision. Overall the marketer should understand the customer before taking up the road to the rural market.

Lopamudra Ghosh (2007)\textsuperscript{32} identified key challenges for FMCGs companies that are penetrating the rural markets, which include infrastructure issues like poor distribution system, improper logistics and the fragmented rural market, given the heterogeneity of the Indian population. The companies which understand these challenges and tune their strategies accordingly will surely be the winners in the years to come, taking advantage of this economic boom in the rural sector of India.

John Mano Raj (2007)\textsuperscript{33} in his paper covers the attractions for the FMCGs marketers to go to rural and the urban markets and uses a suitable marketing strategy with the suitable example of companies and their experience in going rural. Thus the rural marketing has been growing steadily over the years and is now bigger than the urban market for FMCGs. Globally, the FMCGs sector has been successful in selling products to the lower and middle income groups and the same is true in India. Over 70\% of sales is made to middle class

\textsuperscript{33}John Mano Raj (2007), Social Changes and the Growth of Indian Rural Market: an invitation to FMCGs sector, International Marketing Conference on Marketing and Society, pp. 8-10, IIMK.
households today and over 50% of the middle class is in rural India. But the rural penetration rates are low. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products. The marketers need to develop different strategies to treat the rural consumers since they are economically, socially and psycho-graphically different from each other. This paper covers the attractions for the FMCGs marketers to go to rural, the challenges, the difference between the rural and the urban market and the suitable marketing strategy with the suitable customers.

Selvaraj (2007)\textsuperscript{34} identified that the rural market is blooming, with increase in the disposable incomes of the households. By nature rural marketing is complex oriented and study of perception of rural consumers is always a difficult task unlike urban consumers. Rural consumers vary not only in their behavior, practices but also in conviction and belief, yet, the general tendency has not changed widely between rural and urban consumers as regards to aiming on superior quality products, and branded products etc. it is essential that an effective communication and information about products reach the consumers and also educating them regarding the use of products though, rural consumers’ behavior remains constant at least for a particular period, it cannot be taken for granted that they will not change when better opportunities are given to them, thus, rural consumers may resort to change and hence their behavior will not

remain inactive in the changing market environment. Therefore it is necessary, that rural consumers have to be thoroughly studied so as to have better knowledge on rural marketing and work out appropriate marketing strategies for the success not only in the short run but also in the long run.

**Ranganathan (2006)**

Chairman and Managing Director, CavinKare, India (Pvt) Ltd, in his article pointed out that in the last decade, increased competition has driven down margin for all the FMCGs players. He further added that it is time for FMCGs players to innovate not just in products, but in distribution, packaging, pricing, consumer promotion, communication and supply chain to gain a distinct advantage over competition and fuel their growth. He concluded that the future for the FMCGs sector is very bright

**David Griffith (2008)**. In his article, “Sources of Product Information for Chinese Rural Consumers” findings from a recent survey of 1115 respondents from 34 rural counties/ villages in 11 Chinese provinces. It investigates consumers’ reaction towards the advertising market by incorporating the use of information sources and perceived source credibility into the advertising effectiveness literature. The results show that rural Chinese consumers utilise a variety of information sources when making their purchase decision, and for different product categories different information sources are

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preferred. Although perceived source credibility is a reliable predictor for information sources use, the most trusted information source might not always be the most used source.

Sarangapani.A and Mamatha.T (2008) in their study “Rural Consumer: Post-Purchase Behavior and Consumerism” pointed out the essence of modern marketing concept is to satisfy the customer, and naturally all the marketing activities should revolve around the customers and their buying behavior. The key to ensure consumer satisfaction lies in understanding the customer, his likes, dislikes, buying behavior, buying motives and buying practices. In the light of this, rural consumer behavior provides a sound basis for identifying and understanding consumer needs. Knowledge of customer behavior is important for effective marketing efforts and practices.

JyothsnaPriyadarsini.K (2009) in her analysis “Cosmetic Touch for Guy's Market: An Empirical Study on the Penetration of Male Grooming Brands into Rural Area of East Godavari District, AP” It is understood from the study that many rural men feel delicate to use cosmetics. Rural males have a feeling that cosmetics are mainly meant for females. The social stigmas against male grooming products persist a lot. These male respondents consider their use as feminine. Now it is the job of marketers to create a cosmetic sense among the

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masculine breed. The present empirical study shows that a majority of the customers are unaware of the importance of male grooming and exclusive male grooming brands. Henceforth, marketers should attempt to create product awareness and drive the customers through brand awareness.

Sushash.B (2009)\(^{39}\) has discussed about the share of rural areas in total FMCGs consumption in India, factors influencing sale in rural markets, ways of market penetration, problems and limitations. He has finally concluded that with the increasing competition and saturation of urban markets the future prospects in rural markets are high.

Pawan Garga (2009)\(^{40}\). It is understood from the study that rural market has its own set of challenges. Therefore, organizations need to unlearn and then relearn the marketing strategies and tactics that will enable harnessing the immense rural potential. The approach, strategies and marketing mix needs to be modified and examined from rural consumer’s perspective to be successful in the rural market.

Estiri et al. (2010)\(^{41}\) in this study, “Food products consumer behaviors: The role of packaging elements” we have tried to evaluate and compare the effects of packaging elements on consumer behavior in the pre-purchase,

\(^{39}\)Subhash.B. “Rural Marketing FMCGs Tapping Rural Markets in India “, Marketing Mastermind, August 2009, pp. 59-61


purchase and post-purchase stages. The questionnaires filled by participants (n=175) which were analyzed qualitatively to examine the importance of different packaging elements on consumer behavior in the three stages of purchase decision. Results show that all packaging elements are highly important for food products buyers and these elements can highly influence their purchasing decision.

**Joyce Xin Zhou (2010)** China is rapidly becoming an important market for consumer goods, but relatively little is known about variations in consumer shopping patterns in different regions of China. We employ a cultural materialism perspective in understanding decision-making styles of inland and coastal shoppers. Our findings reveal that consumers in the two regional markets do not differ in utilitarian shopping styles but they do in hedonic shopping styles. Marketers need to understand these differences to be able to market effectively to consumers in different regional markets within China cannot be generalized. The results may help the management of departmental stores to understand about the factors that influence the attitude of consumers towards departmental stores, so that they can implement the requirement of the consumers and be successful in the emerging retailing environment.

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Subadra S. and Murugesan K.M, (2010) Consumer Perceptions and Behaviour: A Study with Special Reference to Car Owners in Namakkal District, In recent days India is witnessing a change in consumerism. The market is now predominantly consumer driver. The focus is shifting for product based marketing to need based marketing. Consumer is given many options to decide. Passenger car segment is no exception to this general trend. An effective market communication is imperative for reaching the target audience. So it is important that we study the consumer perceptions and behaviour of the car owners which will give us feedback on how marketing strategies can be worked. Namakkal town in Tamil Nadu State, which is in the southern part of India, has a progressive and growing market for cars. This town was selected for this study. Pre-testing was done by an Interview schedule which was developed and administered to a convenient sample of twenty five car owners. A Simple Random sampling technique was adopted in the study to select the sample respondents. As the size of the universe is restricted, the study has been conducted on the respondents who are the owners of all the segments of passenger cars. A total of 350 Interview schedules were prepared and out of this, only 327 interview schedules were filled up and collected. Data were collected through an interview schedule regarding perception of the respondents on the usage of cars. The following tools were used in testing the hypotheses and in the

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analysis of the data. Descriptive statistical tools such as Percentage, Mean, Median and Standard deviation have been used to describe the profiles of consumers, preferred product attributes and level of satisfaction. ANOVA, t-Test and F-Test have been used to test the significant differences between the groups of respondents in their perception and satisfaction for selected independent variables like age, sex and income. Chi-Square test has been used to test the association between the consumer demographic characteristics and preferred product attributes and satisfaction. Multiple regression analysis has been used to study the influence of income and lifestyle on overall satisfaction level of the respondents. Correlation analysis has been used to establish the relationship between ‘the factors which influenced the purchase’ and ‘the factors which favoured the level of satisfaction’. Factor analysis is employed to identify the key factors responsible for the consumers’ purchase of cars and level of satisfaction after purchase. Cluster analysis has been used to identify the consumers with similar tastes and preferences with respect to purchase of car. The study throws light on various features that the manufacturers should concentrate on to attract the prospective buyers. This study concludes that consumer behaviour plays a vital role in marketing cars and there is more scope for extensive research in this area.
Anita Shukla and Mouni Geoffrey Gekara, (2011) “Measurement of Consumer Satisfaction during Post Merger Period”, Consumer satisfaction, as a construct, has been fundamental to marketing for over three decades. As early as 1960, Keith (1960) defined marketing as “satisfying the needs and desires of the consumer”. Hunt (1982) Reported that by the 1970s, interest in consumer satisfaction had increased to such an extent that over 500 studies were published. This trend continued as Peterson and Wilson (1992) estimated the amount of academic and trade articles on consumer satisfaction to be over 15,000. Several studies have shown that it costs about five times to gain a new consumer as it does to keep an existing consumer (Neumann, 1995) and these results into more interest in consumer relationships. Thus, several companies are adopting consumer satisfaction as their operational goal with a carefully designed framework. Hill and Alexander (2000) wrote in their book that “companies now have big investment in database marketing, relationship management and consumer planning to move closer to their consumers”. Jones and Sasser (1995) wrote that “achieving consumer satisfaction is the main goal for most service firms today”. Increasing consumer satisfaction has been shown to directly affect companies’ market share, which leads to improved profits, positive recommendation, lower marketing expenditures.

IpseetaSatpathy and Patnaik B.C.M, (2011)\textsuperscript{45} “A Survey on Women Consumer Behavior towards Fast Moving Consumer Goods (With Special Reference to Demography)”, The objective of modern marketing is to make profits through satisfying and delighting the consumer’s need and wants. Hence, the marketers have to understand the real needs, wants, beliefs and attitudes of the women consumers towards their products and services. Today, network marketing is a multi-billion dollar business, and a large number of driving forces of the 21st century economy. Many business leaders now regard network marketing as the business for future. But the marketing method was misunderstood as a get rich-quick scheme; it is also too common for network marketers worldwide to answer the legality and soundness of their business. In this paper, an attempt is made to analyze and compare the women consumer behavior on the basis of demography for the post-purchase evaluation and awareness level of consumers with regard to different consumer Protection Acts, etc.

SatnamKourUbeja and Bedia .D.D, (2011)\textsuperscript{46} “A Study of Customer Satisfaction From Organized Retailing (With Reference to Indore City)”, Organized retailing is gradually inching its way and becoming the next boom


industry. The organized retailing sector in India has undergone significant transformation in the last decade. Customer satisfaction is a complex phenomenon for marketers as well as researchers. The purchases of goods or services consist of a number of factors that could affect purchase decision. The objectives of the present study were to analyze the customer satisfaction in shopping malls with respect to product, price, place and promotion in Indore city and to study the variations in customer satisfaction due to different demographic variables. The sample of the study included 175 active mall shoppers. The data was collected using self-designed questionnaire and during data analysis, eleven factors relating to customer satisfaction were explored. The factors were product consciousness, comfort with entertainment seeker, extra service conscious, store and hygiene consciousness, price consciousness, billing flexibility and facility, sales people consciousness, over choice of store, employee consciousness and taste consciousness. The study will help the managers of shopping malls to understand the factors that are related to shopping malls and may help in analyzing the customer satisfaction to the shoppers in the malls.

Abbas Ali, Md and Venkat Ram Raj Thumiki (2012),\textsuperscript{47} highlighted “Factors Influencing Purchase of FMCGs by Rural Consumers in South India: An Empirical Study”. With more than six hundred thousand villages and more

than 70% of the population, rural India has become a massive consumer goods market. FMCGs has emerged as a major product category in rural consumption. Companies marketing FMCGs 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 behavior and more specifically relating to different geographic regions of the country. This paper focuses on understanding factors that affect the rural purchase of FMCGs 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 FMCGs contributes to their lifestyle.

**Anupam Jain and Meenakshi Sharma, (2012)**

“Brand Awareness and Customer Preferences for FMCGs in Rural Market: An Empirical Study on the Rural Market of Garhwal Region”. The purpose of this study is to examine the brand awareness in rural area and to study the interest of consumers in branded products of Fast Moving Consumer Goods (FMCGs). The brand awareness is showing increasing tendency everywhere and Garhwal Region of Uttarakhand State is not an exception to it. To examine the validity of this general statement...

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that is being discussed day in and day out by the researcher, market managers, producers, consumers, advertisers, etc., Research Paper on brand awareness in rural area of Fast Moving Consumer Goods in Garhwal Region of Uttarakhand is taken up.

Aravinth.S, (2012)\textsuperscript{49} “A Study on Customer Preference towards Electronic Goods”. The preference of customers is nothing but they require a product or commodity according to their expected features and attributes. In this regard the researcher has dealt with the housewife and taken them as respondents in the name of customer on their choices of purchasing electronic goods. In this fast moving world, the city life has much more advanced in many schedules. Without the adoption of electronic goods one family could not be a completed one in the society. The family is always led by the women, who share the half of the burden of the leader for a family. In such a situation she prefers more advanced and supporting commodities which fulfill her day to day works. The researcher has designed a framework or a task which actually leads to find the significant relationship between the wife acceptance factor and the electronic goods [1]. This will also give an opportunity to the retailers who actually deals with the electronic consumer goods, to know the exact behaviour of the family administrator on purchasing

Electronic commodities

ChandraSekhar V.N.G, (2012)\textsuperscript{50} “Consumer Buying Behaviour and Brand Loyalty in Rural Markets: FMCGs”, Prime Minister Man Mohan Singh recently talked about his vision for rural India: "My vision of rural India is of a modern agrarian, industrial and services economy co-existing side by side, where people can live in well-equipped villages and commute easily to work, be it on the farm or in the non-farm economy. There is much that modern science and technology can do to realize this vision. Rural incomes have to be increased. Rural infrastructure has to be improved. Rural health and education needs have to be met. Employment opportunities have to be created in rural areas." 'Go rural' is the slogan of marketing gurus after analyzing the socio-economic changes in villages. The Rural population is nearly three times the urban, so that Rural consumers have become the prime target market for consumer durable and non-durable products, food, construction, electrical, electronics, automobiles, banks, insurance companies and other sectors besides hundred per cent of agri-input products such as seeds, fertilizers, pesticides and farm machinery. The Indian rural market today accounts for only about Rs. 8 billion of the total ad pie of Rs 120 billion, thus claiming 6.6 per cent of the total share. So clearly, there seems to be a long way ahead. Although a lot is spoken about the immense potential of the unexplored rural market, advertisers and companies find it easier to vie for a share of the already divided urban pie. The success of a brand in the Indian rural

market is as unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck. Therefore, marketers need to understand the social dynamics and attitude variations within each village. Though, nationally it follows a consistent pattern looking at the challenges and the opportunities which rural markets offer to the marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India. The Indian established Industries have the advantages, which MNC do not enjoy in this regard. The strong Indian brands have strong brand equity, consumer demand-pull and efficient and dedicated dealer network which have been created over a period of time. The brand has to be made relevant by understanding local needs. Even offering the same product in different regions with different brand names could be adopted as a strategy. At times, it is difficult to pass on an innovation over an existing product to the rural consumer unlike his urban counterpart - like increased calcium or herbal content or a germ-control formula in toothpaste. The rural market has a grip of strong country shops, which affect the sale of various products in rural market. The companies are trying to trigger growth in rural areas. They are identifying the fact that rural people are
now in the better position with disposable income. The low rate finance availability has also increased the affordability of purchasing the costly products by the rural people. Marketer should understand the price sensitivity of a consumer in a rural area. This paper is therefore an attempt to promote the brand image in the rural market.

Munir Hussain and Amna Munir, (2012)\textsuperscript{51} “Impact of innovation in FMCGs on customer loyalty and satisfaction: A case study of Confectionary Producer “English Biscuit Manufacturers” in Pakistan”, The purpose of this quantitative study is to discover the impact of innovation on customer’s loyalty and satisfaction. Furthermore it is a brief review of some relevant approaches which have been used for the measurement of customer satisfaction. It also describes the number of factors which may consider facilitating customers in Pakistan. The aims and objectives of this research are to determine the impact of innovation on customer satisfaction, customer loyalty, new features of product, customer retention, the factors affecting the innovation, and comparison of existing old and new products in terms of innovation. This quantitative research was conducted through the responses collected by Pakistani buyers with the help of close ended questionnaire developed on Likert and dichotomous scale.

PallaviKumari, (2012)\textsuperscript{52} “Changing Purchase Behaviour of Indian Customers”, the way Indian consumers are spending their money on various items has changed in recent years. With the ever-increasing penetration of internet and social media, the purchasing behavior of Indian consumers has changed dramatically. Urbanization is taking place in India at a dramatic pace and is influencing the life style and buying behavior of the consumers. The present study is based on the perceptions, buying behavior and satisfaction of the consumers in Indian market. The Indian consumers are noted for the high degree of value orientation. India is a lucrative market even though the per capita income in India is low and it remains a huge market, even for costly products. Consumer behavior is complex and very often not considered rational. The recent trends which are found in the Indian market are celebrity influence, online shopping, freebies and popularity of eco-friendly products.

Sneha Ghai, (2012)\textsuperscript{53} “Changing Scenario of Rural Consumer Buying Behavior with Reference to Processed Food Products”, FMCG (Fast Moving Consumerable Good) is considered as one of the most important sectors to boost the Indian Economy. Rural India is contributing much in the development of Indian FMCGs retail sector by spending more than ever before by purchasing products like processed foods, milk products, beverages etc. The rural market is


expanding by the increased spread of middle-income group household. There is a noticeable change in the income pattern and lifestyle of rural people hence the FMCGs companies can find their way to combat the saturation in urban markets and explore the horizon in Rural clusters. Present study has made an attempt to understand the rural consumer behavior and attitude towards buying FMCGs. There is a hidden untapped market potential in rural clusters, so marketers need to strategize the rural marketing assuring the deep penetration through the innovation and modern marketing techniques for higher market share and increased market growth rate.

Urvashi Gupta, (2012)54 “Customer Loyalty towards Kiranas in Competitive Environment; A Case study”, Retailing in India is emerging as one of the largest industries estimated to account for more than 10 per cent of the country’s GDP and around 8 per cent of the employment thereby having the distinction of being the country's largest source of employment after agriculture. Estimates of retail volume in India; both for organized and unorganized sectors have been assessed by different authorities. India's overall retail sector is expected to rise to US$ 833 billion by 2013 and to US$ 1.3 trillion by 2018, at a compound annual growth rate (CAGR) of 10% Despite the emergence of domestic organized retail activity Kirana shops at street corners still account for more than 90 percent of $590 billion retail trade in the country with distinct least

possibility of any significant replacement. Due to intensive competition there is a focus on retaining customers as well as finding new customers. Designing strategies in this direction require a deep understanding of various product and store attributes which direct customer satisfaction followed by revisit of customers for repurchase leading to customer loyalty.

**Nagarajan.G and Khaja Sheriff .J (2013)** Emerging Challenges and Prospects of FMCG Product Development in India, this article provides inputs for a clear understanding of the consumer mindset towards FMCGs. It focuses on some of the fundamental issues pertaining to the emerging challenges and prospects of marketing FMCGs (new product launch) in India, emerging trends in sales and customer attraction which enable to improvements in new product development. Fundamental issues of the customer and their expectations involve around three magical questions 1. What more? 2. What next? 3. What else? When the marketers want to fulfill the customer requirements they come up with challenges which are new and unseen in yesteryears.

**Priyanka Mokshmar, (2013)** stated that “Factors Affecting the Retail Outlet Preference: the Effect Of Sales Promotion Schemes Among the Customers of FMCGs”, The Retail Industry worldwide is the most prospering

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among all. In India specifically Retail is contributing the most as compared to other industries towards the economic growth of the country. Retail sector is highly dynamic in nature and media and non-media marketing communication are employed for a predetermined, limited time to increase consumer demand, stimulate market demand or improve product availability. Sales promotion is one of the techniques covered under the scope of promotion mix. The current study aims to explore the major factors related to promotion and other value addition aspects that make the customer choose and visit a particular retail store for the purchase of Fast Moving Consumer Goods (FMCGs).

Sathya, (2013) in this paper “Integrating Effect of Consumer Perception Factors towards Private Label Brands in Food and Grocery Retail Sector in Chennai Region”, As per FICCI-Ernst & Young 2007 report, (taken from- The Marketing White book 2009-10), the retail sector in India was worth $280 billion, As per the BMI India Retail Report, for the third-quarter of 2010, forecasts the total retail sales will grow from US$ 353 billion in 2010 to US$ 543.2 billion by 2014. With the expanding middle and upper class consumer and increase in disposable income, the scope of organized retailing is widening in India. Store brands have also started capturing the market share

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from national brands. Almost every retailer is coming out with their own brands, trying to increase the number and the categories of private brands as their efforts are paying off. The fight between national brands and Private labels is getting tougher and interesting.

Prabha .C and Baranidharan .K, (2013)58 “Online FMCGs Advertising”, FMCGs sector in India is one of the four largest sectors in Indian economy. The FMCGs (fast moving consumer goods) companies have faced tough competition among themselves over the years, which is continuously increasing. This is due to the increase in per capita income among individuals and various developments in rural economy. The FMCGs sector has changed its strategies and has opted for a better-planned marketing of the products to penetrate both the rural and urban markets. FMCGs brands to come up with something of great value online for their brands. However, there have been instances where brands have been launched online before being introduced directly to their end customers.


successful marketing of products or services. The evaluation of brand extension strategy can be done under two broad categories Evaluation of Existing Brand Extensions and Evaluation of Prospective Brand Extensions. The paper deals with the dependent and independent variables that could be used by the researcher in a brand extension research especially the consumer evaluation. The measures suggested in the paper gives a clear picture of concepts and content of brand extension and evaluation

Singaravelu .K and ChellaDurai .D, (2013)60 “Distribution System on Fast Moving Consumer Goods – Changes and Challenges”, the FMCGs sector has been successful in selling products to the lower and middle income groups and the same is true in India. The core problems of the study were constructed on the basis of the low income group and middle income group customers. This sector is a cornerstone of the Indian economy. This sector touches upon every aspect of human life. Indian FMCGs market has been divided for a long time between the organized sector and the unorganized sector. FMCG market remains highly fragmented with roughly half the market going to unbranded, unpackaged home-made product.

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Sundaram .N and Sriram .M, (2013) The Perception of Women Consumers on Buying Behaviour with Reference to Vellore District of Tamil Nadu, India”. This paper portrays the perception of buying behaviour, factors of product preferences and product switch-over among women consumers in Vellore district of Tamil Nadu. To conduct this study, 300 respondents from 20 village blocks of Vellore district were selected using stratified random sampling as the technique and descriptive sampling as the design. The study came out with interesting results and conclusions. It was found that more than half of the respondents were purchasing the product without a bill. It was also found that the respondents who repaired their product in the authorized service centre during warranty period did not continue the same after the warranty period and preferred nearby repair shops. It was further found that more than half of the respondents were checking expiry date and quality standards while purchasing a product. The study’s scope was limited to women consumers at Vellore district. It could be used for further research in other aspects such as gender comparison in Vellore district and comparison with other districts of Tamil Nadu and other states of India. It was suggested that there is still a necessity to upgrade the standard of the people in many aspects like education, occupation and level of income, which shall help them

to compete with the neighboring cities on living standards.

**Dhumale Chandrakant B. (2013)**

“A Study of Changing Purchase Behaviour of Indian Customers with Special Reference”, the way Indian consumers are spending their money on various items has changed in recent years. With the ever-increasing penetration of internet and social media, the purchasing behavior of Indian consumers has changed dramatically. Urbanization is taking place in India at a dramatic place and is influencing the life style and buying behavior of the consumers. The present study is based on the perceptions, buying behavior and satisfaction of the consumers in Indian market.


“A Study on Customer Satisfaction towards Departmental Stores in Erode City”, The purpose of this paper is to find out consumer attitude towards Departmental stores a form of organized retail outlet in Erode city. A total of 500 consumers of departmental stores were personally surveyed with a structured questionnaire. These consumers are spread out throughout Erode city. Statistical analysis such as descriptive analysis, Chi square and average percentage score were carried out. The preferences of the consumers clearly indicate their

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importance of advertisement in influencing their purchase, the additional facilities expected, improvement expected in handling defective goods and many. This research analyses the attitude of the consumer towards departmental stores. The study was restricted only to Erode city. So the results cannot be generalized. The results may help the management of departmental stores to understand about the factors that influence the attitude of consumers towards departmental stores, so that they can implement the requirement of the consumers and be successful in the emerging retailing environment.

AnkitKatiyar, and NikhaKatiyar, (2014) An Empirical Study of Indian Consumer Buying Behavior of FMCGs (With Special Reference Of Bathing Soap), bathing soap are fast moving consumer goods that have seen a surge in their sales in the past few decades in India more and more people are opening up to the idea of experimenting and trying out newer bath soap. This study attempts to cover the various factors that influence the buying decision of consumers who plan to purchase and use bath soap. FMCGs sector is the fourth largest sector in India touching everybody’s life in every day. The FMCGs sector is vital contributor to India’s gross domestic products. The field of consumer behavior is the study of individual, group,

organization and the process is used to select, secure, use and dispose of products and services that satisfy their needs. The Indian soap industry includes about 700 companies with combine annual revenue about $17 billion and also spread all over the major metropolitan cites. India per capita consumption of soap is at 460 grm. Per annum. The Indian market capitalization of bath soap industries is 70% of India’s population resident in rural area and 50% soaps are sold in rural market. To attain this objective, a survey was developed and administered across some part of Uttar Pradesh.

Chitra. R (2014)\textsuperscript{65} An empirical study on Customers Purchase Intention towards Branded Apparels”, this paper aims to study factors affecting customers’ purchase intention towards branded apparel. Purchase intention is explained in terms of general consumer variables (normative influence, consumer confidence) and brand specific variables (perceived quality, emotional value). The sample comprised of customers who were shopping in the multi-brand retail outlets, with 266 participants completing the self-administered questionnaire during shopping. Results reveal that susceptibility to normative influence and consumer confidence had positive impact on brand consciousness. Brand consciousness had positive impact on perceived quality of branded apparel & emotional value that these brands

generate. Both quality and emotional value had significant impact on purchase intention.

Nasrudeen .R and Mohamed, (2014)\textsuperscript{66} Level of Consumption of Fast Moving Consumer Goods by Rural Consumers – An Analytical Study”, Ever since independence of India, because of some obvious reasons, marketing acquired a largely urban bias. It was the green revolution in the seventies which provided a much-needed boost to agriculture-based rural economy in the country. Subsequently, many firms started showing interest in the rural markets and extended their penetration to reach smaller villages and towns. Further, now-a-days rural consumers are behaving like urban consumers towards the urban lifestyle, fashion, taste, preferences, etc. This necessitates making an attempt on the level of consumption of Fast Moving Consumer Goods (FMCG) and the scope of the study is restricted to analyze the consumption pattern and the level of consumption of rural consumers in Madurai District of Tamil Nadu in India. It is concluded from the study that the level of consumption of rural consumers is low and there is vast scope for marketers to market FMCG in rural areas

Rajasekaran, B and Saravanan, P. A. (2014) highlighted, “Consumer Satisfaction on Fast Moving Consumer Goods”. The study throws on the attitudes, values, beliefs and perception of the consumers with regards to the consumption of fast moving consumer goods. To study the brand preference of fast moving consumer goods, the preference and opinion of consumer towards popular brands have been taken into consideration. A five point scale was used to analyze the consumer satisfaction. The respondents have been classified into three categories namely those holding high level, medium level and low level of opinion. The relationship variables have been analyzed by means of Chi-square test. The study found that the quality is the major driver to prefer a particular brand of FMCGs. If the marketers target the consumer with high quality goods at affordable price, certainly they will succeed in their business.

Shanmugapriya .G and Sethuraman .R, (2014) “Consumers’ Satisfaction towards Hamam Soap in Thanjavur Town”, the marketing scenario in India has undergone vast change since 1991 due to the economic reforms. Post-liberalization, competition intensified in every product line and market, which forced brands to redefine their norms of existence in all

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industries. In the FMCGs industry, especially in toilet soap sector there has been severe competition among the MNCs, national and local players. Brand loyalty is determined by several distinct psychological processes of the consumers and entails multivariate measurements. Product features (Fragrance / Skin care / Germ fight features / Colour) is one of the most important factors that affect brand loyalty. The relationship between the availability of the toilet soap and the extent of brand loyalty was also found to be significant. The toilet soaps can be divided into four price segments: Premium, popular, economy and carbolic soaps. At the same time, penetration level of toilet soaps in urban areas is very high, but per capita consumption levels remain low. In this scenario, it is very important for marketers to know the consumer behavior with respect to toilet soaps, which will be very useful in adopting suitable strategies. This research paper attempts to analyze the brand loyalty, satisfaction, awareness regarding Hamam soap in Thanjavur town, Tamil Nadu.

**Sonia and Garima Dalal, (2014)**

“to Study the Satisfaction Level of Customers towards the Brand of Consumer’s Goods - A Study Carried out on Rural Masses”, The Indian Fast Moving Consumer Goods (FMCGs) industry began to shape during the last fifty odd years. The FMCGs sector is a corner

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stone of the Indian economy. This sector touches every aspect of human life. Indian FMCGs market has been divided for a long time between the organized sector and the unorganized sector. Unlike the US market for FMCGs which is dominated by a handful of global players, India’s Rs. 460 billion FMCGs market remains highly fragmented with roughly half the market going to unbranded, unpackaged home-made products. This presents a tremendous opportunity for makers of branded products who can persuade consumers to buy branded products. Globally, the FMCGs sector has been successful in selling products to the lower and middle income groups, and the same is true in India. Over 70 percent of sales are made to middle class households today and over 50 percent is in rural India. The sector is excited about a burgeoning rural population whose income is rising and which is willing to spend on goods designed to improve lifestyle. Also with a near saturation and cut throat competition in urban India, many producers of FMCGs are driven to chalk out bold new strategies for targeting the rural consumer in a big way. Moreover, the arrival or existence of these goods must be known to consumer so that they can take interest and if found suitable to their needs and wants, they may go for ultimate purchase. Consumer is the central point of every business. Now a days, attracting and satisfying customers is more difficult than producing the goods. For any product, many brands are available in the market. Every company wants to
increase its market share. But, buyers dominate the market. Therefore, seller has to make a lot of efforts to attract and persuade the persons to purchase his products and services.

2.3 RESEARCH GAP

The review of related literature regarding the consumer behaviour in Fast moving consumer goods is analysed from different sources. From the analysis of the review of literature, it is found that all the studies have attempted to examine the consumer behaviour of various product categories with the study of only the consumer behaviour. But no attempts have been made to study the consumer behavior towards selection on the basis of brand wise study. So this was identified as research gap after analyzing all the review of related literature. Hence, in the present study an attempt has been made to study consumer behavior towards FMCGs at different stages in purchase behaviour of consumers.

2.4 SUMMARY

Thus, the earlier studies would motivate the researcher to go in deep to explore the consumer behaviour towards FMGCs as far as Puducherry District is concerned. The thorough review of earlier literature will also help the researcher to adopt the user friendly technologies in order to unearth the recent perception and changes in the consumer behaviour towards select FMCGs.