ABSTRACT

The study seeks to examine the choice process of Indian consumers with regard to Fast Moving Consumer Goods. An extensive review of literature has been undertaken to build a strong theoretical framework. However, literature reveals that few studies have been conducted in India, which has dealt with this problem. Moreover, unique relationships between information search efforts and loyalty behavior have been explored through this study. Thus, this study tries to fill up this gap by examining the choice process of Indian consumers. The specific objectives of the study are as follows:

1. To examine the sources of information influencing the consumer choice process while buying FMCG products.
2. To determine the influence of various determinants of information search on the amount of information search made by consumers.
3. To examine the varying usage of sources of information among the three groups of respondents segmented on the basis of involvement.
4. To discuss the role of marketing mix variables, brand specific attributes and demographic traits in brand choice behavior of the consumers.
5. To identify the determinants of repeat purchase behavior of the consumers.
6. To find the varying effect of value for money, brand familiarity, brand trust and satisfaction on loyalty to identify the factor bringing more variation in loyalty.
7. To identify the reasons of switching brands amongst the consumers.
8. To determine the overall choice process of consumers and to find a link between information search behavior and loyalty process of the consumers.

For attaining all the above mentioned objectives, various statistical tools like weighted average score, regression analysis, z-score, one-way ANOVA, correspondence analysis, logit analysis, step-wise regression analysis are applied as per the requirement of each objective.

The findings of the study highlight that TV advertisement attracts most of the consumers. Product class involvement, benefits of search leads to more search for information whereas product class knowledge reduces information search. Time since the brand is being used and satisfaction decreases the information search efforts. Males, 31 years respondents and above aged respondents, married, less educated segment and less income earners conduct fewer searches for information. In case of toothpaste, low involvement group uses mainly cinema advertisements; middle involvement groups use manufacturer’s pamphlets inserted in newspapers, window shopping through store visits and road side bill boards/hoardings. On the other hand, high involvement group
concentrates on manufacturer’s websites, advertisement in public transport i.e. buses, railways and point of purchase advertisements. In case of packaged tea, low involvement group uses TV advertisements, salesperson and shopkeeper’s advice, manufacturer’s website; manufacturer’s pamphlets inserted in newspapers and roadside billboards/hoardings. Medium involved group uses past experience, advertisement in public transport i.e. buses, railways and friends/family advice. High involvement group uses window shopping through store visits, point of purchase advertisements and cinema advertisements.

In case of toothpaste, brand-specific attributes, discount, feature advertisement, gender, marital status and age effect brand choice decision whereas in case of packaged tea, free gifts, feature advertisement, celebrity advertisement, gender and marital status, influence brand choice decision.

In case of toothpaste, value for money; brand trust; brand familiarity; satisfaction; age; income; education significantly affect repeat purchase decision. In case of packaged tea, value for money; brand trust; satisfaction; age; income and education has a significant role in repeat purchase decision. Among the three variables, brand trust, brand familiarity and satisfaction; satisfaction plays more important role in influencing loyalty than brand trust, and brand familiarity. In case of both the products that is toothpaste and packaged tea, brand familiarity least influences the loyalty. Consumers switch mainly because of quality. Consumers are also impressed by advertisement which means new consumers can be attracted through impressive advertisements. Further, an increase in price leads to loss of consumers. A positive WOM about brand leads to repeat purchase whereas negative WOM encourages consumers to switch to other brands. Also consumers switch to another brand for the sake of variety.

A unique consumer choice process has been evolved in which after evaluation of alternatives, construct satisfaction has been added. Satisfaction with the actual chosen determines the post purchase process of the consumer. Information search efforts and loyalty behaviour are inversely related which means that more information search efforts lead to reduced loyalty.

The foregoing findings suggest that formulation of effective marketing strategies requires study of information search behaviour, brand choice behaviour, and loyalty behaviour. An effective communication strategy requires an understanding of sources of information. Also unique relationship between information search efforts and loyalty behaviour has been explored through this study.