



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

EFFECT OF PACKAGING ON CONSUMER BUYING BEHAVIOUR ON SELECT FMCG PRODUCTS

PROJECT REPORT

By

Ms. JASLIN. A (Reg. No: 201CO020)

Under the Guidance of

Dr. S. DHARCHANA, M.com., M.phil., Ph.D.

Associate professor,

Department of Commerce,

Dr. N.G.P ARTS AND SCIENCE COLLEGE

(An Autonomous Institution, Affiliated to Bharathiar University, Coimbatore)

Approved by Government of Tamil Nadu & Accredited by NAAC with A⁺⁺ Grade (3rd Cycle -3.64 CGPA)

Dr. N.G.P.-Kalapatti Road, Coimbatore-641 048, Tamil Nadu, India.

ABSTRACT:

Fast-moving consumer goods (FMCG), also known as consumer-packaged goods (CPG), are products that are sold quickly and at a relatively low cost. Examples include non-durable household goods such as packed foods, beverages, toiletries, candies, cosmetics, dry goods, and another consumable. Fast moving consumer goods have a high inventory turnover and are contrasted with specialty items which have lower sales and higher carrying charges. Many retailers carry only FMCGs particularly hypermarket, box store and warehouse club stores. FMCGs have a short shelf life because of high consumer demand e.g., soft drinks and confections or because they are perishable e.g., meat, dairy products, and baked goods.

INTRODCTION OF THE STUDY:

Fast-moving consumer goods (FMCG), also known as consumer-packaged goods (CPG), are products that are sold quickly and at a relatively low cost. Examples include non-durable household goods such as packed foods, beverages, toiletries, candies, cosmetics, dry goods, and another consumable. Fast moving consumer goods have a high inventory turnover and are contrasted with specialty items which have lower sales and higher carrying charges. Many retailers carry only FMCGs particularly hypermarket, box store and warehouse club stores. Small convenience store also stock fast moving goods; the limited shelf space is filled with higher turnover items. FMCGs have a short shelf life because of high consumer demand e.g., soft drinks and confections or because they are perishable e.g., meat, dairy products, and baked goods. These goods are purchased frequently, are consumed rapidly, are priced low, and are sold in large quantities. They also have a high turnover when they're on the shelf at the store. Consumer goods are products purchased for consumption by the average consumer. They are divided into three different categories: durable goods, nondurable goods, and services. Durable goods have a shelf life of three years or more while nondurable goods have a shelf life of less than one year. Fastmoving consumer goods are the largest segment of consumer goods. They fall into the nondurable category, as they are consumed immediately and have a short shelf life. Nearly everyone in the world uses fast-moving consumer goods (FMCG) every day. They are the small-scale consumer purchases we make at the produce stand, grocery store, supermarket, and warehouse outlet. Examples include milk, gum, fruit and vegetables, toilet paper, soda, beer, and over-the-counter drugs like aspirin.

Therefore, the present study has made an attempt to explore the role of packaging and labelling in consumer's buying behaviour and their level of awareness of information given on food product labels on the branded food packages with special reference to Coimbatore City.

SCOPE OF THE STUDY:

The study has been undertaken to analyze the role of packaging in buying behavior of consumers in Coimbatore city towards the FMCG products. In the present competitive environment, the role of packaging in food industry has drastically changed due to increased change in consumers' lifestyle. Firm involved in manufacturing packed food have shown their interest in packaging and as a tool of sales promotion, is growing at fast pace in Coimbatore city. The present study focuses on individual consumer who purchases for their own consumption or for household use. Thus, the study has focused on to examine the effect of packaging on consumer buying behavior, awareness towards nutrition contents of the food products and their relationship in proposing Structural Equation Model.

OBJECTIVES OF THE STUDY:

- To study impact of packaging of FMCG products on consumer buying behavior.
- To find out the effect of packaging on the buying behavior.
- To identify whether packaging influence consumer to switch from one to another brand.
- To find the consumer attitude towards the new packaging of preserved products.

REVIEW OF LITERATURE

(**Soma Shekar, 2021**) studies about the buying behaviour of customers in the FMCG sector. Consumption of FMCG products growing rapidly as the urban market was facing a saturation point. Entering of MNC'S in India has resulted in increased competition among domestic players. He concluded that marketers should give importance to these factors to increase their revenue. Thus, marketer needs to understand the behaviour of customer with the changing behaviour of customers.

(**Dr. S. Sudhamathi, JULY 2020**) The author discusses the buying behaviour of customers in FMCG products. The study revolves around to know factors influencing consumers preferences. The author discusses the consumption pattern, their lifestyle, perception about the product through advertisement. The conclusion of the report is consumers are more focus on quality rather than the price also health is an important factor that consumer focus to buying online.

(**Dr. S. Sudhamathi, JULY 2020**) The author discusses the buying behaviour of customers in FMCG products. The study revolves around to know factors influencing consumers preferences. The author discusses the consumption pattern, their lifestyle, perception about the product through advertisement. The conclusion of the report is consumers are more focus on quality rather than the price also health is an important factor that consumer focus to buying online

(**Dr. Aparna P. Goyal, 2019; Joshi, 2017**) studies how online marketing has affected consumer decision process related to FMCG products. The study relates to how online marketing plays an important role to influence their buying decision. The conclusion of this report is trust is an important factor for buying online. Online buying of FMCG products increases in India, the companies need to read the comments or review of customers for their products that help the companies to resolve the issue.

S. Alasaddah (2014) has made a study on the knowledge and utilization of nutrition labels among international versus non-international college students. The finding of the study has revealed that non international students have more knowledgeable than the international students with regard to nutrition labels. Finally, the study has concluded that the reason for the international students having poor knowledge is due to lack of label use, not understanding the labels because of the language differences and maybe due to lack of knowledge.

Daramola, Bello and Okafor (2014) have examined the impact of branding and packaging for the promotion and marketing of fastmoving consumer goods in Nestle Nigeria PLC. They have analyzed the effect on the buying decisions and habit of consumers. For the purpose of the study, they have taken a sample of 188 respondents and Questionnaire has been used to collect the primary data.

Percentage analysis and Chi-square test have been applied to analyze the data.

Darkwa (2014) has assessed the consumers' level of knowledge about nutrition facts on food labels and their impacts on food choices among consumers in Koforidua, Ghana. For the purpose of the study, he has taken a sample of 100 respondents by using 32 random sampling method and Questionnaire has been used to collect the primary data. The finding of the study has revealed that awareness and knowledge of food labelling do not influence on food choices. Finally, the study has concluded that different consumers demonstrate varying levels of knowledge with respect to food labels, and a subsequent varying impact on food choices

Thu Ha, Nguyen and Ayad Giza (2014) have assessed the factors influencing consumer purchasing decisions of private label food products. They have analyzed how consumers perceive low-price PLB (Private Label Brand) food product. For the purpose of the study, they have taken a sample of 184 respondents by using snow ball sampling method and Questionnaire has been used to collect the primary data from both male and female consumers equally. Percentage analysis has been applied to analyze the data.

Hayati Adilin Mohd Abd Majid, et al. (2015) have assessed the awareness of nutritional labelling and its effect towards consumer buying behavior on food products. They have analyzed the different methods in promoting nutrition labelling among consumers. Secondary data has been used in the study. The finding of the study has revealed that nutritional labelling is very crucial in influencing consumers to purchase a product. Finally, the study has concluded that Malaysian companies should focus new approaches in promoting nutrition labelling compared to other well-developed countries such as the United States of America and Belgium.

Jusuf Zekiri and Vjollca Visoka Hasani (2015) have examined the role and impact of the packaging effect on consumer buying behavior. They have analyzed the relative impact of each packaging element on the consumer buying behavior. For the purpose of the study, they have taken a sample of 395 respondents and Questionnaire has been used 33 to collect the primary data. Percentage analysis and one sample test have been applied to analyze the data. The finding of the study has revealed that the factors such as, the quality of the packaging material, Innovation and practicality, and the package design seem to be the most important on product selection during buying process. Finally, the study has concluded that the packaging elements are imperative during buying process and they facilitate a lot the decision- making process.

Zul Ariff Abdul Latiff, et al. (2015) have examined the impact of food labels among Malaysian consumers by using an extended theory of planned behaviour model (TPB). They have analyzed the direct and indirect effect of food labelling on consumer intention to purchase or not to purchase the food products. They have taken a sample of 2014 respondents by using stratified sampling method from high, medium and low income residents and Questionnaire has been used to collect the primary data. Statistical tools such as Mean, Standard Deviation and Reliability have been applied to analyze the primary data.

Zul Ariff Abdul Latiff and Mohammad Amizi Ayob (2015) have investigated the consumer's awareness of Indian Community towards food label in Klang, Selangor. For the purpose of the study, they have taken a sample of 300 respondents by using stratified random sampling method. Questionnaire has been used to collect the primary data. Descriptive analysis, reliability analysis, factor analysis and chi square have been applied to analyze the data. The finding of the study has revealed that most of the Indian community are less aware of the importance of food labels due to lack of knowledge in buying food products.

RESEARCH METHODOLOGY:

Research methodology is a way of systematically solving the research problem. Research methodology deals with the research design used and methods used to present the study.

TOOLS FOR DATA COLLECTION

The data was collected through Primary Data and Secondary Data

1. Primary data

Questionnaire is the main tool for collecting primary data. It has been designed in a systematic manner with the help of Google forms. All the adequate and relevant questions were included in the questionnaire.

2. Secondary data

Secondary data was collected from Books, Magazines, Articles, and Journal Publications.

SAMPLE SIZE

The sample size selected for this study is 135 respondents.

STATISTICAL TOOLS USED

The following statistical tools have been used to analyses and interpret the data.

- Percentage Analysis
- Weighted average method
- Anova Test
- Rank Analysis

RELATIONSHIP BETWEEN AGE AND PRIORITY WHILE PURCHASING THE PRODUCTS

	Priority while purchasing the products				
Age	Eco-friendly packaging	Convincing packaging	Protective packaging	Harmless	TOTAL
below 25 years	45	18	12	3	78
26-35 years	9	12	8	2	31
36-45 years	7	8	6	1	22
45 years & above	0	3	5	0	8
TOTAL	61	41	31	6	139

CHI – SQUARE TEST

Factor	Calculation value	Degree of freedom	Table value	RESULT
Pearson chi square	20.294 ^a	9	16.92	Rejected

INTERPRETATION:

It is clear from the above table show that, the calculated value of chi-square at (0.05) level is greater than the table value. Hence the hypothesis is rejected. So, it can be concluded that **There is a relationship between age and priority while purchasing the product through level of respondents.**

SUGGESTION:

- The finding has emphasised the fact that respondents have very strong preference for brand and the taste of the product. This preference makes them to purchase a food item even though it may not meet the criteria of healthy food or may contain some harmful ingredients. Such high preference for brand and taste has far reaching implications for both the regulatory authorities and the food processing firms.
- It becomes very essential for authorities to keep a thorough check on food processing companies as to what they put into in the market for some might knowing or unknowingly use harmful ingredients and still get away with it because of a strong brand name.
- At the same time food companies with established brand names in the market, need to be very conscious of their responsibility when introducing new products into the market.
- They need to live up to the trust of their consumers who, for the sake of brand and taste, are willing to sacrifice their consumers health quotients.

CONCLUSION:

Consumption of packaged food items in an organised food retail shopping has grown tremendously in the recent past decades. Food packaging and labelling enables consumers to make informed decisions when purchasing and consuming food products. Despite this, the issue of consumer awareness about usage of packaging and food labelling information has attracted little attention among consumers in developing 231 countries. In this regard, the present study has attempted to analyse the role of packaging influences the consumer's food purchase choice. Similarly, Packaging effect has a direct positive significant relationship with product influence and content. The total effect of Packaging effect has shown a positive effect on Contents. Hence, the general assumption that Food Contents do not depend on Packaging Effect and Product Influence has thus been disproved.

REFERENCE:

1. Soma Shekar, 2021 Consumer Behaviour in Purchasing of Dairy Products in Bangladesh. Journal of Jessore University of Science and Technology, 3(1). Retrived from <https://www.researchgate.net/publication/332493629> 32.
2. Dr. S. Sudhamathi, JULY 2020 Factors Influencing Purchase of Private Labels. Journal of Emerging Technologies and Innovative Research, 6(2), Page 40-46. Retrived from www.jetir.org 34.
3. Dr.Aparna P and Goyala. (2019),Joshi(2017). Does Packaging Influence Purchase Decisions of Food Products? A Study of Young Consumers of India. Academy of MarketingStudies Journal, 23(3)
4. Ala S. Alasaddah. (2014). How Does Knowledge And Utilization Of Nutrition Labels DifferAmong International And Non-International College Students?.

Submitted to the Kent State University College of Education, Health, and Human Services.43 60.

5. Abhay Goyal, Ashwin Nair, Bhupesh Kumar and Bhardhwaj Sivakumaran. (2019). Enhancing Consumer Preference towards healthy drinks. Great Lakes Herald, 13(1), Page 41-60
6. Daramola, Bello and Okafor. (2014). Branding and Packaging: Promotion of Marketing of Fast Moving Consumer Goods in Nestle Nigeria PLC. International Journal of Business and Marketing Management, 2(1), Page 1-7. Retrived from www.resjournals.org/IJBMM 61.
7. Darkwa. (2013). Knowledge of Nutrition facts on Food Labels and their Impacts on Food Choices on Consumers in Koforidua, Ghana: a case study. South African Journal of Clinical Nutrition,27(1), Page 13-17. 62.

