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## 4. “A Study on Consumer Buying Behavior with Special Emphasis on Shampoo in Personal Care Category”

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### Abstract:

Behavior of consumers plays a crucial role in marketing the FMCG used by consumers and it depends on various factors. In the current era of globalization, the customer needs and tastes are changing over time. Shampoo is personal hygiene product that is very essential in our daily needs. It feeds consumers' physiological needs as it cleans the hair and provides other additional benefits such as conditioning, reducing dandruff, moisturizing, nourishing and etc. it is a multi-million ringgit industry that contributes largely in the annual GNP (Gross National Product) and GDP (Gross Domestic Product). This article aims at presenting the consumer buying behavior of the shampoo in the personal care category and the factors that affect the consumer buying behavior.

### 4.1 Introduction:

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are products that are sold quickly and at relatively low cost. Though the profit margin made on FMCG products is relatively small (more so for retailers than the producers/suppliers), they are generally sold in large quantities; thus, the cumulative profit on such products can be substantial. FMCG is probably the most classic case of low margin and high-volume business. Introduction to Fast Moving Consumer Products (FMCG) The Indian FMCG sector is the fourth largest sector in the economy with an estimated size of Rs.1, 300 billion. The sector has seen tremendous average annual growth of about 11% per annum over the last decade. In India, the scenario is quite different in comparison to developed nations where the market is dominated by few large players, whereas FMCG market in India is highly competitive and a significant part of the market includes unorganized players selling unbranded and un packaged products. Examples of FMCG commonly include the range of daily consumed items such as toiletries, soap, detergents, cosmetics, oral care products, shaving products, packaged food products and digestives as well as other non-durables such as bulbs, batteries, paper products, glassware and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, etc. Indian population is spreading and becoming wealthy day by day, particularly the middle class and the rural segments, offers immense opportunity which is left untapped to FMCG players. Growth effect will be seen from product customization in the matured product categories like skin care, processed and packaged food, mouth wash etc. In India, many MNCs have made their presence through their subsidiaries (HUL, Reckitt Benckiser, P&G) and the companies launches innovative products from their parent's portfolio in the market regularly to ensure the steady growth.

India is an agriculture based economy and has a varied agro-climatic condition which offers extended raw material base suitable for many FMCG sub sections like food processing industries etc. India is one among those countries which has the highest production of livestock, milk, spices, sugarcane, cashew, and coconut and has the second highest production of wheat, rice, vegetables and fruits.

Similarly, India has an abundant supply of caustic soda and soda ash, the major raw materials required to manufacture soaps and detergents, which helps companies manufacturing soaps and detergents to grow and prosper. The easy accessibility and availability of these raw materials gives India an additional edge over other countries.

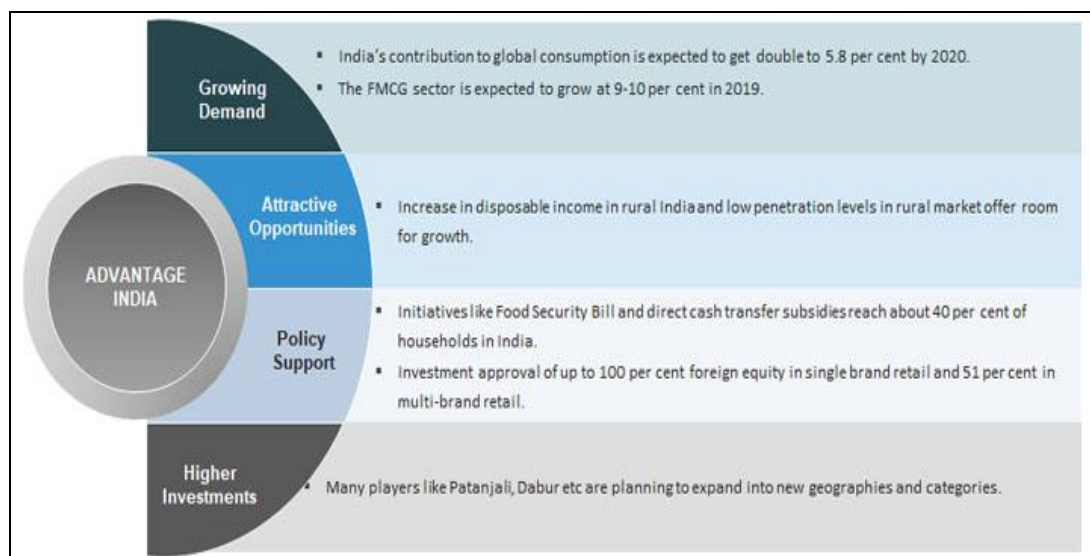
#### 4.2 The main Characteristics of FMCGs are:

##### I. From the Consumers' Perspective:

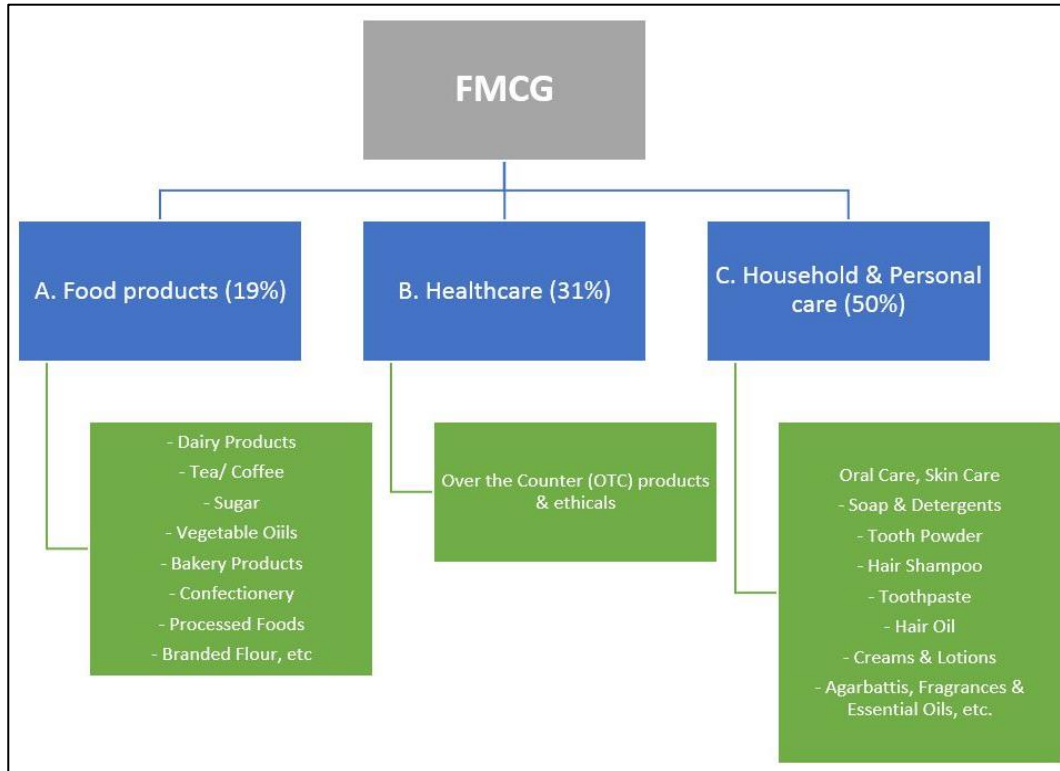
- Frequent purchase or Daily consumed products.
- Low involvement (little or no effort to choose the item -- products with strong brand loyalty are exceptions to this rule)
- Low price

##### ii. from the Marketers' Angle:

- High volumes
- Low contribution margins
- Extensive distribution networks
- High stock turnover FMCG denotes Fast Moving Consumer Goods, supplied in the retail marketing as per the daily consumer demand. These daily needs and wants have to be served to satisfy their hunger.



Graph No 4.1: FMCG Industry



**Graph No 4.2: Major Sector of FMCG Industry**

#### **4.2.1 FMCG Market in India:**

The FMCG sector is one of the largest sectors of the Indian economy. According to an FMCG industry overview, revenues of the FMCG sector reached \$ 52.75 bn in FY18, and are estimated to reach \$ 103.7 bn in 2020. As consumption in India grows at an unprecedented rate, the FMCG industry remains a key sector for investors. Acknowledging these trends in the FMCG industry profile, the Government of India has undertaken various initiatives to promote the sector. For instance, 100% FDI is permitted in SBRT and cash-and-carry models of retail, and the minimum capitalization for foreign FMCG companies to invest in India is \$ 100 mn. Even the implementation of GST in India has had far-reaching consequences for the sector, as the highest selling FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket (as opposed to the previous 24%)

#### **A. Objectives of the Study:**

- To analysis the factors affecting consumer buying behavior towards shampoo.
- To study the influencing factor of consumer buying behavior.
- To know the overall satisfaction of currently using brand of shampoo.

- To Study the reason for switching the brand of shampoo from current brand of shampoo.

### **B. Scope of the Study:**

The scope of the study is limited with the respondent using shampoo of different brand in MUMBAI city.

### **4.3 Literature Review:**

- (Asma & Disha, 2018)

From the study I have found that the behavior of consumers vary by location, price, promotion, product and physiological factors. However, the effect of these factors affecting the decision of consumers would vary from one product to another. It could be also concluded that almost every FMCG has shown tremendous growth in past twenty years and would continue to do so in future. In future, more innovative ways could be found to sell products, using technology to create a support chain, innovative products, varied ideas with the goal to satisfy customer's needs and wants. To support government must create an enabling environment and tackle issue related to urban sector to help industries rise to a peak.

On the other hand, with the share of unorganized market in the FMCG sector falling, the organized sector development is expected to rise with increased level of brand consciousness, additionally augmented by the development in modern retail. Another important point propelling the demand for food services in India is the developing youth populace, essentially in the urban regions. India has a large base of young consumers who shape most of the workforce and, due to time imperatives, barely get time for cooking. Online portals are expected to assume a key role for companies endeavoring to enter the hinterlands.

The Internet has contributed bigly, encouraging a cheaper and more convenient means to increase an organization's reach. It is estimated that 40 per cent of all FMCG purchases in India will be online by 2020, thereby making it a US\$ 5-6 billion business opportunity. By the year 2025, e-commerce will contribute around 10-15 per cent sales of few categories in the FMCG sector.

### **4.4 Data Collection Sources:**

- **Primary Data Collection:** Survey through structured Questionnaire.
- **Secondary Data Collection:** Secondary data is collected from the following sources: Internet, company website, Journal, research paper.

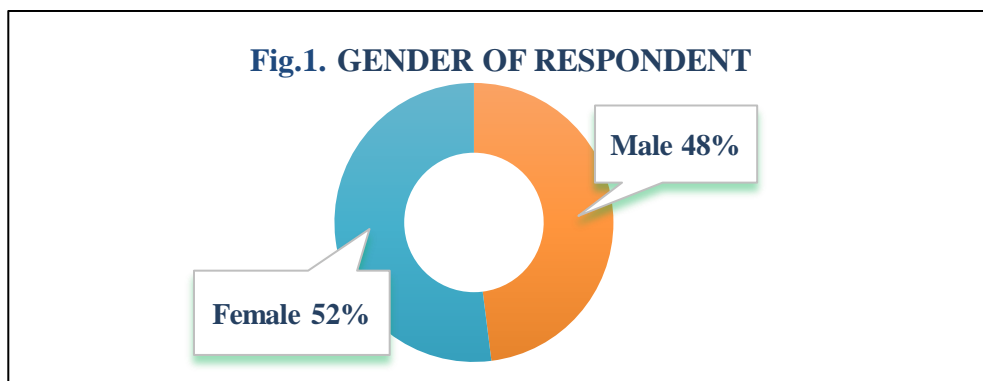
### **4.5 Limitation of the Study:**

There are certain limitation of this study that enlisted blow:-

- The Geographical area of target population is of people of Mumbai city only.
- An interpretation of this study is bases on the assumption that the respondents has given the correct information.

- Time of submission, due to academic schedule, Limited time frame is available to complete this research
- The finding of current study was applicable only to the 150 respondent.
- Time of the study as well as the tenure of the study both are very critical in any of the research activity. This research is also liable to the limitation of the time duration in the study.

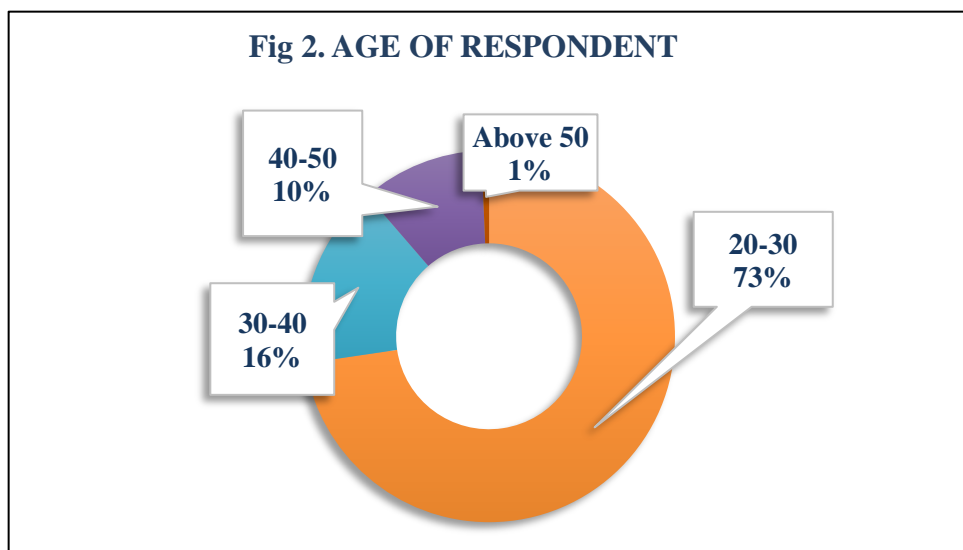
#### **4.6 Data Analysis & Interpretation:**



**Graph No 4.1: Gender of Respondent**

#### **Data Interpretation:**

Out of 150 Respondent, 52% of the respondent are Female where as 48% of the respondent are male.

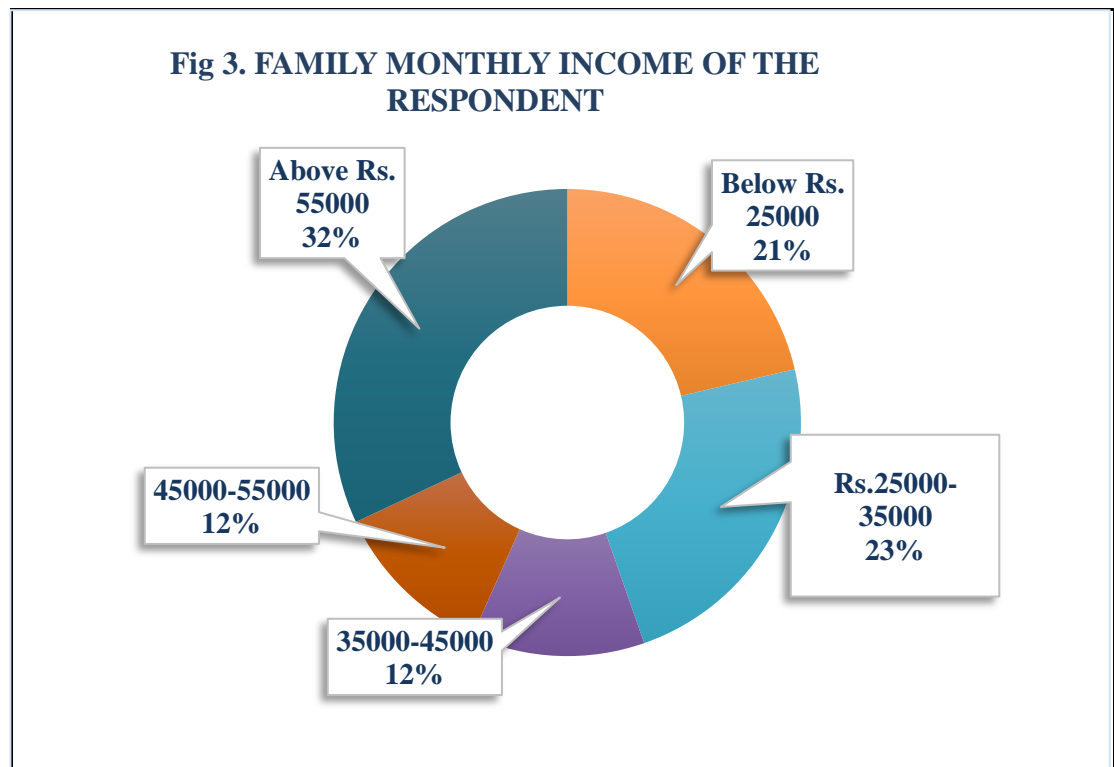


**Graph No 4.2: Age of Respondent**

**Data Interpretation:**

From the above graph we can interpret that from total respondent 73% of the respondent are from age group of 20 – 30. 16% respondent are from the age group of 30 – 40 where as 10% respondent are from age group of 40 -50.

The lowest age group of respondent only 1% from age group of Above 50.

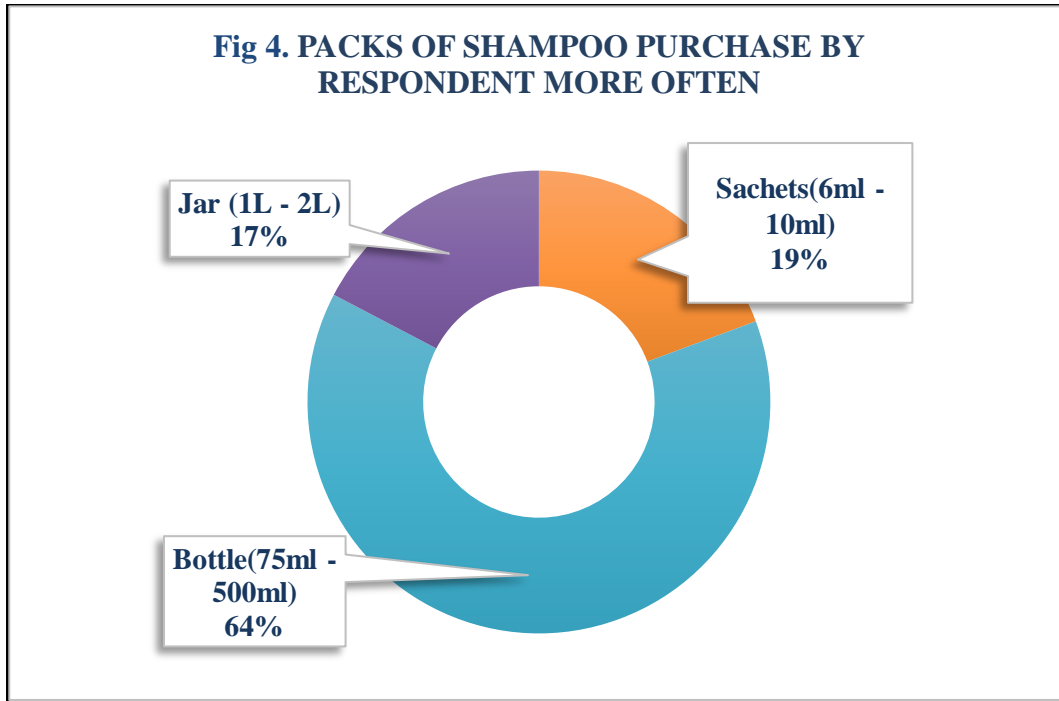


**Graph No 4.3: Family Monthly Income of the Respondent**

**Data Interpretation:**

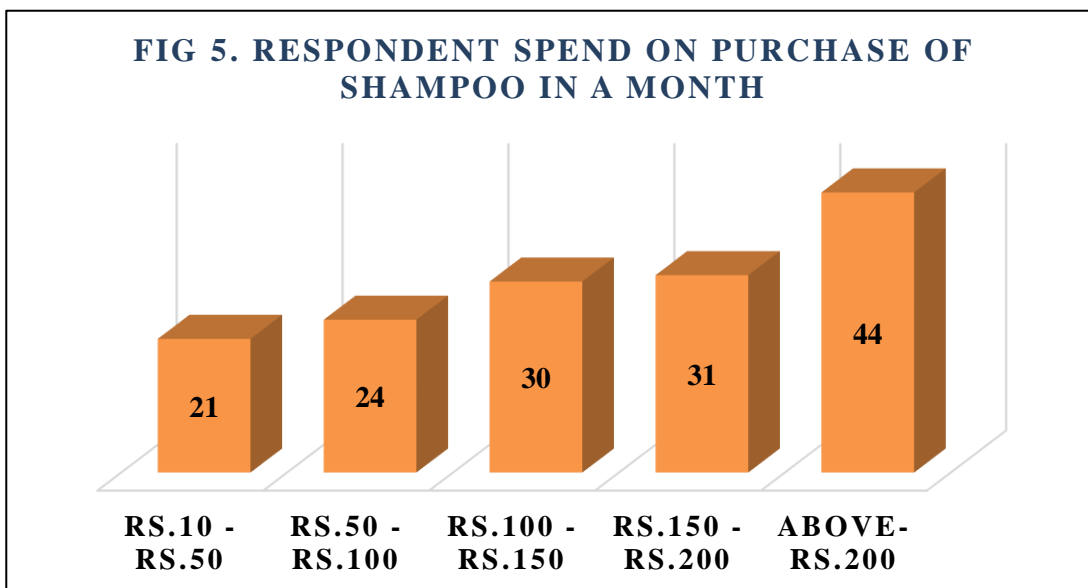
From above figure we can anticipate that 32% of respondent are from the family whose monthly income is above Rs. 55000, where 23% of respondent are from the range of Rs. 25000 – 35000 and 21% of the response are from range of Below Rs. 25000.

Whereas 12% of the response from Rs. 45000 – 55000 and 35000 – 45000 on individual bases.



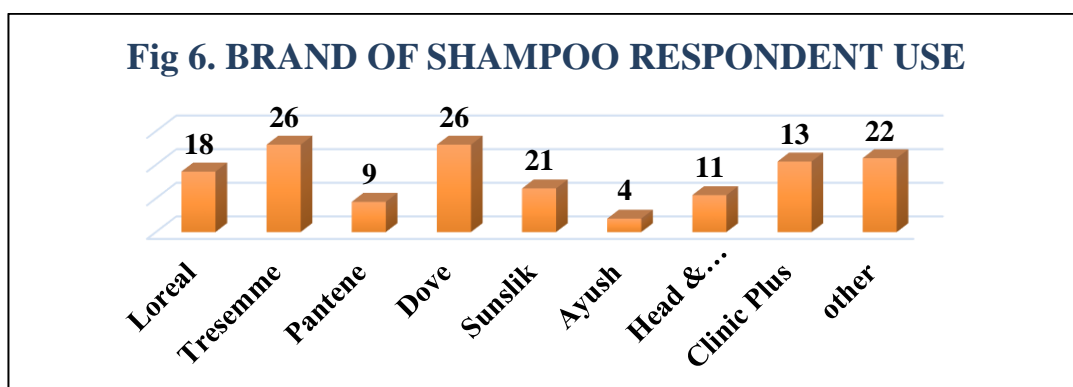
**Graph No 4.4: Shampoo Pack Purchase by Respondent More Often**

**Data Interpretation:** From above chart we have analysis that 64% of the respondent purchase the Bottle (75ml – 500ml) packaging. Whereas 19% of the respondent use the sachets (6ml – 10ml) of packaging) and only 17% of the respondent use Jar (1l – 2l) as packaging.



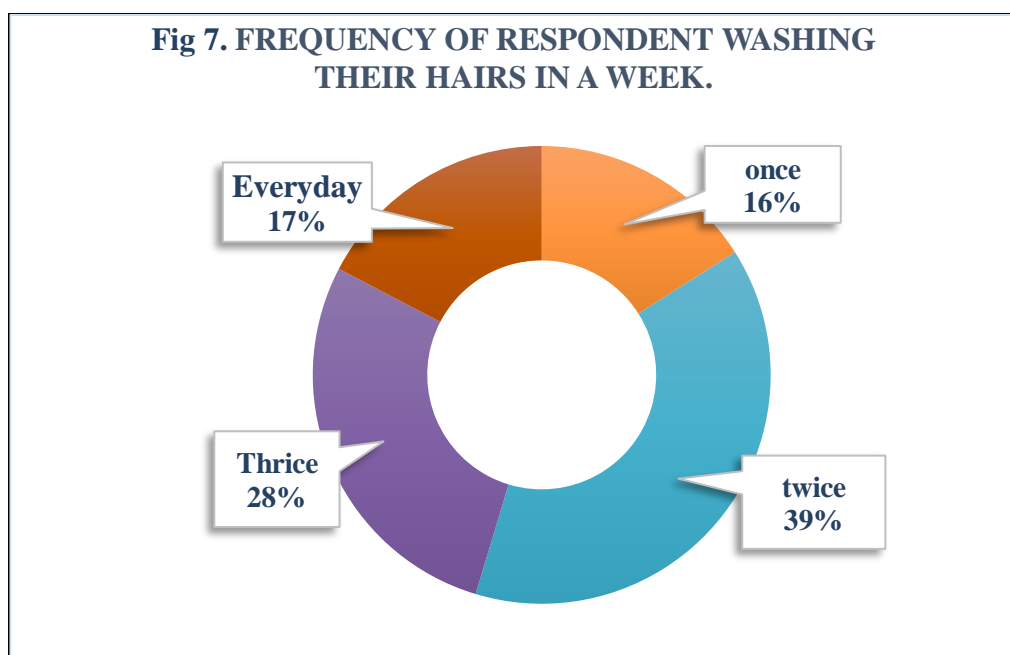
**Graph No 4.5: Respondent Spend on Purchase of Shampoo in a Month**

**Data Interpretation:** From above bar graph we can interpret that 44 respondent spend above Rs. 200 on purchase of the shampoo. Whereas 31 respondent spend Rs.150 – 200 on purchase of shampoo. 30 respondent spend Rs.100 – 150 on purchase of shampoo, 24 respondent spend Rs. 50 – 100 on the purchase of the shampoo. Ad only 21 respondent spent Rs. 10 – 50 on purchase of shampoo on monthly basis.



**Graph No 4.6: Brand of Shampoo Respondent Use**

**Data Interpretation:** from this graph we can interpret that highest consume shampoo by respondent are Tresemme and dove by 26 responses each. Followed by Sunsilk by 21 responses. 22 responses used other brand of shampoo including Nile, Himalaya, patanjali, wow shampoo etc. 18 respondent use L'Oreal shampoo. Whereas 13 respondent use Clinic plus shampoo. Followed by Head & Shoulder with 11 responses. Pantene has only 9 respondent and Ayush has the lowest responses only with 4 respondent.



**Graph No 4.7: Frequency of Respondent washing their Hairs in a Week.**



**Data Interpretation:** From above pie chart we can interpret that 39 % of respondent shampoo their hair twice in a week as 28% of respondent shampoo their hair thrice in a week where 17% of respondent shampoo their hair regularly and 16 % of respondent shampoo their hair once in a week.

#### **4.7 Conclusion:**

- The above study had conclude that Fast-moving consumer goods (FMCG) sector
- Is the 4th largest sector of the Indian economy? Where the competition level among the companies is very high. The consumer buying behavior and perception are also changing
- The research says that awareness of different type of shampoo has increases and the factors like brand, quality, Hair type, hair problem and ingredient effects the consumer buying behavior and consumer are ready to spend more money on this factors.
- Friends and family and advertisement of the brand is the most influencing factor for consumer to purchase the shampoo. Most of the consumer prefer to buy combination pack of shampoo and conditioner.
- In the research it has been found that Tresemme, sunsilk and clinic plus has most loyal consumer whereas Ayush and head& shoulder has least loyal customer. The reason of many consumer for switching brand is unsuitable to hairs, price and change in trends.
- With change in trends and large competition the customer are shift from their particular brand frequently and they look out for special offers and discounts or try out the new trend. This leads to decrease in the loyal customer for the company.

#### **4.8 Bibliography:**

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