



A study on consumer preferences towards online shopping of Fast Moving Consumer Goods

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Abstract:

The emergence of E-commerce has revolutionized the way people shop for fast-moving consumer goods (FMCG) specially after the Covid-19 pandemic situation. This research paper aims to study the consumer preferences towards online shopping of FMCG products. The study was conducted through a survey of 100 respondents in the age group of 18-45 years. The results of the study show that consumers are increasingly using online channels to purchase FMCG products. Convenience, time-saving, and better deals are the key factors driving the adoption of online shopping. However, concerns about product quality and authenticity, lack of touch-and-feel experience, and trust in online vendors are the primary barriers to online shopping.

Keywords:

Online Shopping, FMCG, Consumers.

Introduction:

Fast-moving consumer goods (FMCG) are products that are sold quickly and at a relatively low cost. The FMCG market is one of the largest and most important markets in the world. With the increasing penetration of the internet and smartphones, e-commerce has emerged as a major channel for purchasing FMCG products. Online shopping provides consumers with the convenience of purchasing products from the comfort of their homes and offices, which has led to a significant increase in online sales of FMCG products.

Objectives

The objective of this study is to understand the consumer preferences towards online shopping of FMCG products. Specifically, the study aims to:

1. To understand the consumer preferences towards online shopping of fast moving consumer goods (FMCG) in the current market scenario.
2. To identify the factors that influence consumer preferences towards online shopping of FMCG products.
3. To examine the concerns and challenges faced by consumers in online shopping of FMCG products.
4. To provide insights to FMCG companies to enhance their online presence and improve the quality of products and delivery to retain customer loyalty.
5. To contribute to the existing literature on online shopping and consumer preferences towards FMCG products.

Hypotheses:

H: Consumers who shop for FMCG products online switch to new online applications due to better prices.

H: Product characteristics such as brand, price, and delivery time have a significant impact on consumer preferences towards online shopping of FMCG products.

H: Technological advancements such as mobile shopping and virtual reality have a positive impact on consumer attitudes towards online shopping of FMCG products.

H: Online shopping has many barriers to purchasing FMCG products online.

Review of literature:

1. (C. Somashekar, 2016) studies about the buying behavior of customers in the FMCG sector. FMCG product consumption was expanding quickly as the urban market achieved saturation. The arrival of MNC's into India has boosted competition between local firms. Given that it accounts for 4% of India's GDP, the FMCG sector has a significant scope to

expand. The packaging of a product is crucial to its sale. The FMCG industry sees Customer impulsive purchasing behaviors. When customers went to the store to buy

biscuits, they also bought chips. The main factors affecting a consumer's decision to purchase a product are flavor, quality, and low cost. He came to the conclusion that in order to boost their revenue, marketers should prioritize these criteria. Because consumer behavior is changing, marketers need to be aware of these changes.

2. (Dr.S.Sudhamathi, JULY 2017) The author discusses the buying behavior of customers in FMCG products. The goal of the study is to identify the variables affecting consumer preferences. The author addresses consumer habits, lifestyles, and how advertisements affect how people view products. The report's conclusion is that consumers place a greater emphasis on quality than they do on price. Consumers also consider their health when making purchases online.
3. According to (Dr.payalUpadhyay), suggests that there are two types of buying i.e convenience buying or experiencing buying. Convenience shoppers are more likely to remain loyal clients or to spend more than first-time shoppers. With the development of technology, online shopping is growing simpler every day. Online shopping has the drawback that product delivery takes longer than traditional brick and mortar stores. The study comes to the conclusion that paying with cash on delivery is the most secure method. The buyer is not enticed to purchase more by enticing company incentives.
4. (Dr.K.Vijayakumar, 2019) studied the quality aspect of FMCG goods. Customer preference is for quality over all other factors, including price, appeal, and position. There are hundreds of brands available for a given product, and consumers make a variety of choices based on their influence. The rural market is seeing an increase in demand for FMCG products. Packaging has a significant impact on how consumers behave while making purchases. Labeling and packaging work together to draw customers. Consumers engage in a variety of spontaneous buying behaviors, such as deals, discounts, specials, and promotions, as well as window merchandising. The study's conclusion is that companies are developing ways to keep clients. Customers desire things that are both affordable and of superior quality. Due to the dynamic nature of the FMCG industry in India, marketers should concentrate on developing effective marketing tactics.
5. (T. Kavitha, 2017) has found some motivations for online shopping, Respondents indicate their preferences based on it. Time-saving, affordable pricing, convenience, and ease of acquisition rank first, second, and third, respectively. The report also demonstrates customer satisfaction in online purchasing: speed, savings in time, and more choices rank best. According to this article, among the issues that customers confront while shopping online include low quality, an absence of touch and feel, and a lack of a return policy. The author also proposes that additional advertisements and offers could be used to boost

internet purchasing in rural areas. According to the report, an online merchant should sell goods of excellent quality. With their contentment, it will help to attract a big consumer base. Technology services have been created to suit client demand while guaranteeing their security.

6. (Patil, February 2016) concluded that respondents present their preferences based on this. Time saving, affordable price, convenience and ease of purchase are ranked first, second and third. The report also shows customer satisfaction with online shopping: speed, time saving and more options are the best. According to this article, customers face poor quality, lack of touch and feel, and no return policy when shopping online. The author also suggests that online shopping in rural areas could be improved with more ads and offers. According to the report, the online retailer should sell excellent items. Due to their satisfaction, it helps to attract a large consumer base. Technology services are designed to meet the requirements of customers while ensuring their security.

Limitations :

1. The sample size of the study may be too small or not representative of the target population, which could limit the generalizability of the findings.
2. The study did not investigate the specific types of FMCG products that consumers prefer to purchase online, which could have an impact on the findings.
3. The study did not explore the role of cultural or geographical differences in consumer preferences towards online shopping of FMCG products, which could be important in a global context.
4. The study did not examine the impact of external factors, such as advertising or promotions, on consumer preferences towards online shopping of FMCG products.

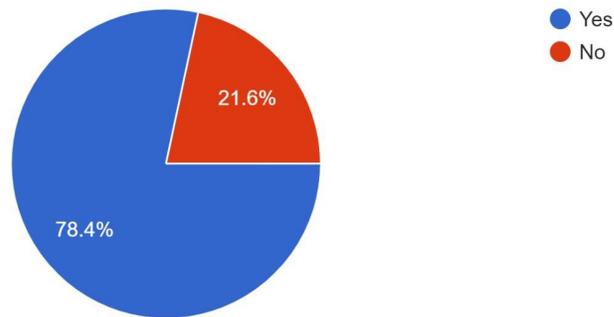
Methodology:

A survey was conducted to collect data on consumer preferences towards online shopping of FMCG products. The survey was administered to a sample of 100 respondents in the age group of 18-45 years. The survey was conducted online using Google Forms, and the respondents were selected through a random sampling technique.

Analysis and interpretation:

Have you ever shopped for fast-moving consumer goods (FMCG) online?

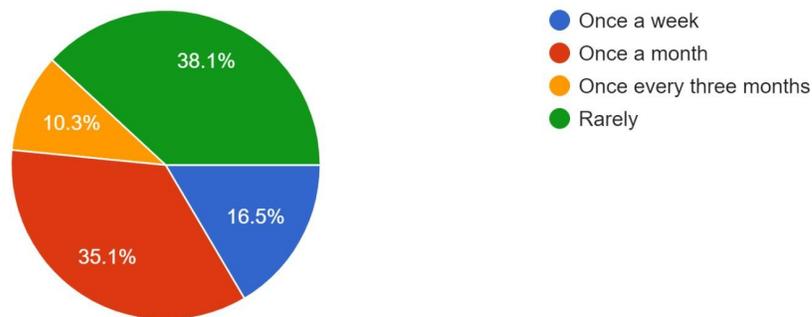
97 responses



Interpretation: 78.4.% respondents agreed that they have purchased fast moving consumer goods online and 21.6% respondents have never purchase fast moving consumer goods online

How often do you purchase FMCG products online?

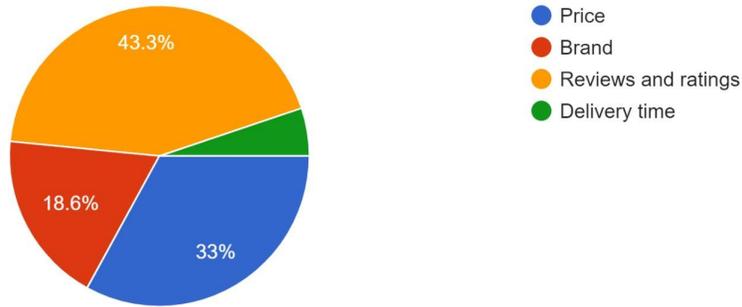
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Interpretation: when it was asked about the frequency of purchasing fast moving consumer goods online 38.1% respondents said that they rarely purchase online whereas 35.1% respondents purchase once a month and 16.5% respondents buy FMCG once a week whereas 10.3% respondents purchase once every 3 months.

Which of the following factors is MOST important to you when shopping for FMCG on an online application/website?

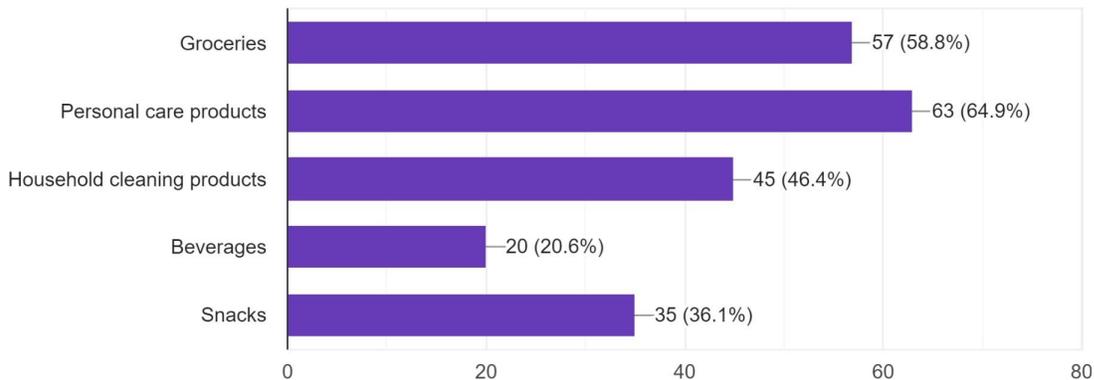
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Interpretation: 43.3% respondents purchase FMCG on online application by looking at reviews and ratings given by customers whereas 33% take purchase decisions based on the price offered for the product and 18.6% purchase the product based on the brand name.

What type of FMCG products do you prefer to buy online? (select all that apply)

97 responses

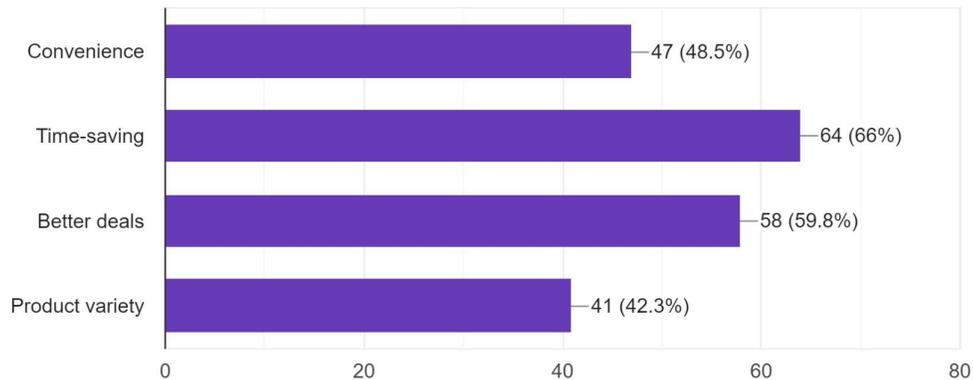


Interpretation: when it was asked to the respondents about the preference of fast moving consumer goods 64.9% respondents said that they purchase personal care products online and 58.8% people said that they purchase groceries online whereas how sold cleaning products are

purchased by 46.4% respondents followed by 36.1% snacks items and 20.6% beverage

What are the key factors that influence your decision to purchase FMCG products online? (Select all that apply)

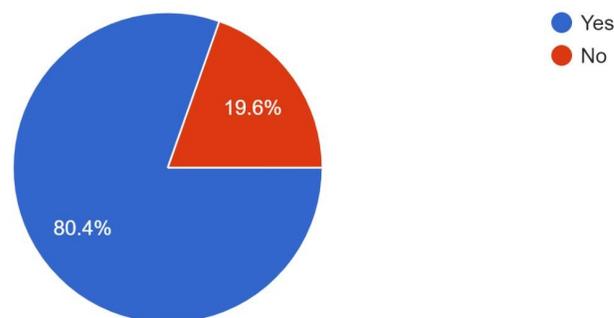
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Interpretation: when it was asked about the factor which influences the most while purchasing FMCG products online 66% agreed that time saving is the highly influenced factor whereas 59.8% people purchases because of better deals and 48.5% people purchases FMCG products online due to convenience offered where as 42.3% people purchases goods because of the variety of products offered online.

Do you think the prices of FMCG products are more competitive online than in physical stores?

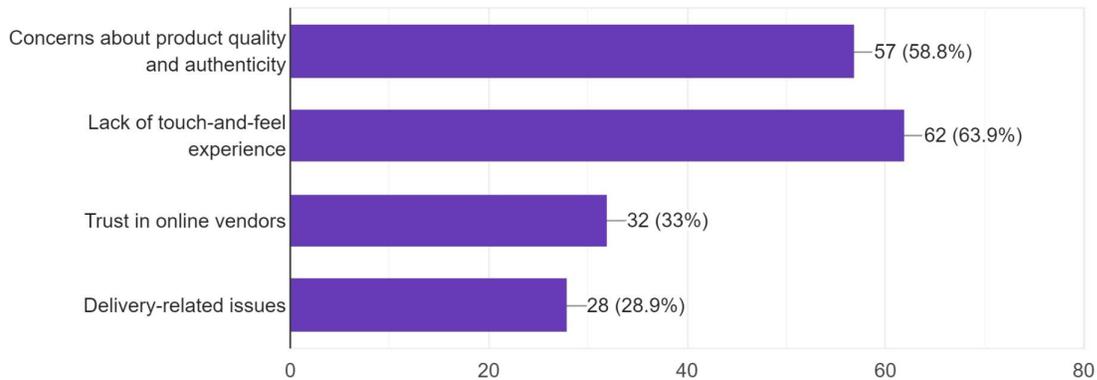
97 responses



Interpretation: from total respondents maximum , 80.4% people agreed that prices of FMCG products are more competitive online then in physical stores whereas 19.6% respondents do not agree with it.

What are the main barriers to purchasing FMCG products online? (Select all that apply)

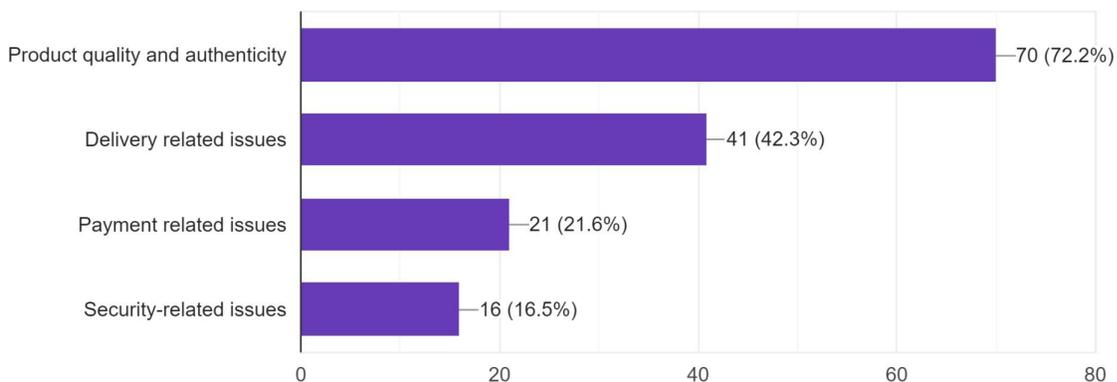
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Interpretation: Lack of touch and feel experience is the biggest barrier while purchasing FMCG products online it is said by 63.9% respondents and 58.8% respondents said that concern about product quality and authenticity is the barrier whereas 33% respondents have less trust in online vendors and 28.9% respondents things that delivery related issues is the barrier while purchasing FMCG products online.

Have you ever experienced any issues or concerns when purchasing FMCG products online? (Select all that apply)

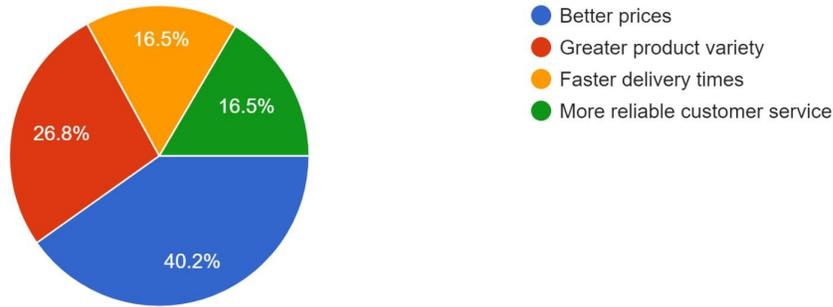
97 responses



Interpretation: when it was asked about the issues or concerns faced by respondents while purchasing a product online 72.2% respondents experienced product quality and authenticity issues and 42.3% respondents faced delivery related issues whereas 21.6% respondents had payment related concerns and 16.5% respondents agreed that they faced security related problems.

Which of the following factors is MOST likely to influence your decision to switch from your current online application to a new one?

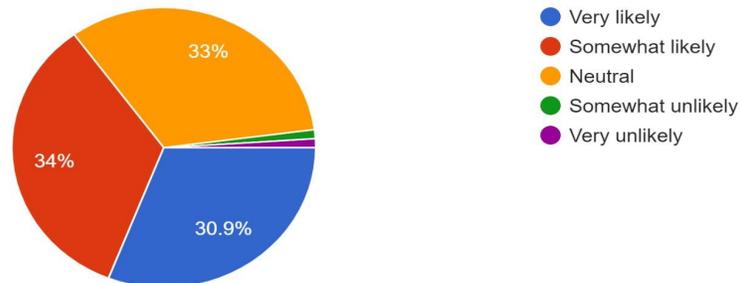
97 responses



Interpretation: better prices is the most influential factor which helps customers to decide to switch from current online applications to new ones, said by 40.2% of people. 26.8% respondents switch to the new application because of greater product variety whereas 16.5% responding shift due to more reliable customer service offered by the new application and 16.5% respondents agreed that faster delivery Times influences that decision to switch from current online application to a new one.

How likely are you to recommend online shopping for FMCG products to others?

97 responses



Interpretation: when it was asked about the recommendation of online shopping for FMCG products to other customers 34% agreed that they will somewhat recommend it and 30.9% people said that very lightly they will recommend online shopping for FMCG products to others whereas 33% respondents were neutral when asked about it.

Conclusion:

The study concludes that online shopping is becoming an increasingly popular channel for purchasing FMCG products. Convenience, time-saving, and better deals are the key drivers of online shopping. However, concerns about product quality and authenticity, lack of touch-and-feel experience, and trust in online vendors are the primary barriers to online shopping. The study suggests that e-commerce platforms should focus on addressing these concerns to further increase the adoption of online shopping for FMCG products.

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