ROLE OF PRICE CONSCIOUSNESS ON FAST MOVING CONSUMER GOODS (FMCG)

Dr. N. S. SHIBU
Assistant Professor & Head,
Research Centre of Management Studies,
Bharathidasan University College,
Kurumbalur, Perambalur
Tamilnadu, India

Dr. R. KALPANA
Corresponding Author & Assistant Professor,
Department of Management Studies,
Thanthai Hans Roever College (Autonomous),
Perambalur, Tamilnadu, India

Abstract

Marketing field is a very vast in nowadays. Marketing of any product depends upon a consumer buying behaviour attitude. Consumer buying behaviour is a vital role in marketing. Consumers will purchase day to day goods habitually, so long as inconsistent brand behaviour does not disrupt that habit. Rapid changes of pricing unsettle the consumer. Quite often the final determinant is that of mere habit. This study conduct for help of producer to fix their product price in economic point of view to consumer. In the economic point of view, the consumer using their buying behaviour in rational decision maker. Yet another group of researchers view consumer as cognitive decision maker. The respondents are chosen by convenience sampling. In SPSS 21, Correlation and Multiple Regression are used in this study. Based on the findings, p value and t values are significant. The researcher concluded that prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness are acting significant role to take a decision of buying behaviour of consumers.
Key words: FMCG, Personal Care, Prestige Sensitivity, Price Quality Schema, Value Consciousness, Sale Proneness, Coupon Proneness.

Introduction

Marketing field is a very vast in nowadays. Because of marketing of any product depends upon a consumer of marketing of any product depends upon a consumer buying behaviour attitude. Consumer is a king in a marketing. Based on the consumer perception a product may be success or not. Otherwise it will be a challenging of a

producer. The study of consumer behaviour focuses on how individuals make decision to spend their available resources(time, money, effort) on consumption-related items(Schiffan & Kanuk, 1997). Consumer taking their decision numerously. Sometimes even when they are educated or not, they are not continuous aware of why and how they have a choice of that product. And moreover in the economic point of view, the consumer using their buying behaviour in rational decision maker. Yet another group of researchers view consumer as cognitive decision maker. But all these views ignore the influence of emotions on consumer's choice. Thus purchase involvement is a temporary state of an individual or household. It is influenced by the interaction of individual, product and situational characteristics.(Kalpana & Shibu, 2017a)

In real life situation, pricing is central to marketing in many ways. It communicates positioning to consumer and customer alike and therefore must reinforce the competitive stance the marketer wishes to adopt. A premium price signifies quality, which is why it backfires if the quality is not there. A premium also signifies brand strength, differentiation and consumer preference. Price is conventionally seen as trade with volume, the higher the price, the lower the volume. This is not always the case. The method, frequency and timing of price changes can produce different volume results for any given ultimate price change. In particular circumstances, a price increase will stimulate more volume if it draws consumer attention to the higher quality. Consumers will purchase day to day goods habitually, so long as inconsistent brand behaviour does not disrupt that habit. Rapid changes of pricing unsettle the consumer. Quite often the final determinant is that of mere habit. Whatever the purpose, it is important to understand the patronage of purchase motives in relation to a specific market segment(Wasson and Shreve, 1975). Hence this study is undertaken to understand the Price Consciousness and its impact in buying decision of Fast Moving Consumer Goods (FMCG).

Review of Literature

Watchravesringkan et al. (2008) conducted a study to examine the measurement in variance of consumers' price perception scales cross culturally by drawing 958 samples from four East Asian countries. It revealed that consumers from these East Asian countries(China, South Korea, Taiwan and Thailand) do differ significantly to some extent, in terms of how they perceive price cues related to price-quality schema, prestige sensitivity, value consciousness, sale proneness and price mavenism in market place.

Byun and Sternquist (2010) tried to link price mavenism as an outcome variable arising from both positive as well as negative perception of price. This was carried out in Shangai and China. The study found that prestige sensitivity, price consciousness and value consciousness shaped price mavenism among the Chinese.

Kalpana and Shibu (2017a) stated that Prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness are factors of price consciousness. These factors are inter-correlated with them and price consciousness. Based on the findings, family size influenced the Price consciousness. From the study, the researcher found that there is a family size impact the consumer buying behaviour on household fabrics care. Kalpana & Shibu (2017b) study was effort to unravel the consciousness, attitude and awareness about price of consumer buying behaviour. Based on the findings of confirmatory factor analysis, Prestige Sensitivity(PS), Price Quality Schema(PQS), Local Retailer Shop Loyalty(LRSL), Value Consciousness(VC), Price consciousness(PC), Coupon Proneness(CP), Sales Proneness(SP) are factors for buying behaviour of consumer. the researcher concluded from the study, Prestige Sensitivity(PS), Price Quality Schema(PQS), Local Retailer Shop Loyalty(LRSL), Value Consciousness(VC), Price consciousness(PC), Coupon Proneness(CP), Sales Proneness(SP) are factors for buying behaviour of consumer and these factors highly influenced on consumer buying behaviour.

Statement of Problem

In case of Fast Moving Customer Goods(FMCG), not too many attributes are used to make decisions. Often price is the main factor to determain the sale of goods to the branded product. But in this type of goods how far the people take decision to purchase personal care products for their use is un predictable one.

Limitations of the Study

1. The study concentrated only on the application of Personal care in FMCG.
2. The outcome of the study will be applicable only to these area and respondents. So the results cannot be generalized.
3. The information provided by the respondents is purely based on their perception only.

Objective of the Study

To explain the personal care products buying behaviour by finding out the influence of price consciousness across various product categories in FMCG.

Hypothesis of the Study

The present study tested the following Null hypothesis.

NH 1: There is no significant difference between the price consciousness factors correlate with price consciousness.

NH 2: There is no significant difference between the annual income to determine the price consciousness.

Methodology
Area of Study

The area of the study will be Trichy Corporation. The city of Trichy has people from various parts of Tamilnadu working and residing here. Hence Trichy can be considered

as Representative of Tamilnadu. Most companies prefer to launch their products in Trichy also when they decide to launch in Tamilnadu.

Period of the Study: This study covers a period of two months from April to May 2016.

Sample Size: The product categories selected for study in Personal care products under FMCG. These kinds of product are mainly used in family for their personal use and hence the sample constitute only personal care with the family members.

Sampling Technique

The method of sampling that will be adopted will be convenience sampling since the population is quite large. Care will be taken to ensure that personal belonging to different income categories will be included in the study. Based on this, 275 questionnaires will be distributed.

Statistical Tools

Primary data were collected, tabulated. A pilot study was carried out to revise the questionnaires and for item analysis. The validity and reliability of the questionnaires were measured. The internal consistencies of scale were assessed through computing Cronbach's Alpha. The components of factor relating to organizational commitment show the reliability value ranging from 0.80 to 0.85. Implication from these values indicates that all of the items used for each component in the questionnaire have a high and consistent reliability values. In SPSS 21, Correlation and Multiple regression were used in this study.

Theoretical Framework of the Study
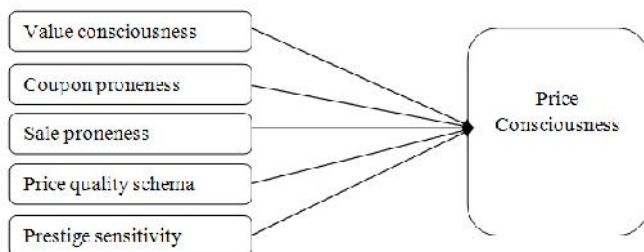
Findings

NH 1: There is no significant difference between the price consciousness factors correlate with price consciousness.

Figure.1 Research Conceptual Framework

Table 1: Pearson Correlation Analysis

	Value consciousness	Coupon proneness	Sale proneness	Price quality schema	Prestige sensitivity	Price consciousness
Value consciousness	1					
Coupon proneness	.004**	1				
Sale proneness	.128*	.204**	1			
Price quality schema	.059*	.321*	.128**	1		
Prestige sensitivity	.181*	.243*	.169**	.010**	1	
Price consciousness	.769**	.686**	.671**	.540**	.454**	1

** denotes significant @ 1% & * denotes significant @ 5% level. Source: Primary data

NH 2: There is no significant difference between the income to determine the price consciousness.

Table No. 2. Analysis of Linear Regression between Annual Income to Determine the price consciousness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.72a	.52	.50	1.531

a. Predictors: (Constant), Prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness

Table No. 3 Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.879	5	1.176	3.501	.001b
	Residual	90.332	269	.336		
	Total	93.600	274			

a. Dependent Variable: Annual Income

b. Predictors: (Constant), Prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness

Table No.4. Analysis of Linear Regression

	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.506	.403		8.890	.000		
Value consciousness	.024	.017	.105	2.281	.015	.863	1.159
Coupon proneness	.062	.021	.242	3.904	.020	.789	1.267
Sale proneness	.031	.020	.316	2.081	.035	.870	1.149
Price quality schema	.085	.042	.229	1.996	.040	.895	1.117
Prestige sensitivity	.090	.025	.484	2.753	.025	.987	1.013

a. Dependent Variable: Annual Income *Source: Primary data*

Analysis and Discussion of Results

- **Correlation Matrix:** As shown in the table no.1, there is high degree of correlation between price consciousness with price consciousness factor. From the table, independent factors are inter-correlated with significant at 1% & 5% level. Based on correlation value, since P value less then 0.01 and 0.05, null hypotheses rejected at 1% & 5% level.
- **Analysis of Linear Regression:** As shown in the table no. 2 and 4, the multiple linear regression analysis shows that the independent enabler which is Prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness are the indicator with correlation. The value of R^2 = 0.52 and P value significant at 1% level. From the Multiple Linear regression analysis, based on t value of independent factors, the null hypotheses rejected.
- **Analysis of Variance:** As shown in the table no.3., there is a significant variance between Prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness and annual income. P value significant at 1% level.

Findings and Conclusion

From the correlation matrix table, price consciousness sub factors highly correlated to price consciousness. From the multiple linear regression analysis, clearly shows that annual income of the respondents highly significant for personal care products of FMCG. Based up on their annual income, the respondents spend their income for branded personal care products. The researcher concluded that prestige sensitivity, Price quality schema, Value consciousness, Sale proneness, Coupon proneness are acting significant role to take a decision of buying behaviour of consumers in the economic point view.

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