

ANALYTICAL STUDY ON CONSUMER BEHAVIOUR AND PREFERENCES TOWARDS BRAND SWITCHING, ITS MODELS AND POSITION IN FMCG

Prabhakar K

Research Scholar, University of Technology, Jaipur

ABSTRACT

Introduction - Brand switching occurs when a consumer who has been using a brand's product moves to another brand's product. The intensity of brand switching would be higher if there was more competitiveness among the brands accessible to consumers. Because of the fierce competition among cellular phone service providers, brand switching is expected to be common and widespread. Brand switching has gone through multiple stages and is impacted by a variety of factors such as advertising, price, quality, and brand loyalty.

Aim of the study- The major goal of this study is to explore consumer behaviour and preferences toward brand switching, as well as its models and position in the FMCG industry.

Research Methodology - To obtain answers to the questions and extract brand switching factors of buyers of Fast-Moving Consumer Goods in Chennai, a descriptive and realistic technique was utilised in this study. The study's primary data was acquired by a questionnaire, which yielded a sample size of 594 people.

Data analysis - SPSS and other statistical tools were used to analyse the data.

Conclusion - It is concluded that buyers of FMCG swap brands owing to promotional offers, advertisements, friends and relatives' recommendations, unsatisfied quantity and quality, overpriced product unavailability, and simply for a change.

Keywords: Consumer, behaviour, preference, FMCG, brand switching etc.

1. INTRODUCTION

1.1 Introduction

Understanding the psychology of consumers, including how they think, feel, reason, and choose between different options (e.g., brands, products; the psychology of how the consumer is influenced by his or her environment; and the psychology of how the consumer is influenced by his or her environment) can help businesses and organisations improve their marketing strategies (e.g., culture, family, signs, media). Personal consumers as well as business/industrial/organizational consumers are included in the term "consumer."

Customers in the enormous FMCG sector are developing their own preferences for final decision-making, influenced by a variety of factors. The common goal in the dynamic market of low-involvement products is to expand market share, gain customers, and maintain market position, which may be accomplished by increasing the company's market position.

1.2 Brand Switching

When brand loyalty is harmed, brand switching happens. Brand loyalty is defined as a customer's commitment to a certain brand over a period of time and refusal to switch to another brand.

There are a number of factors that influence brand loyalty:

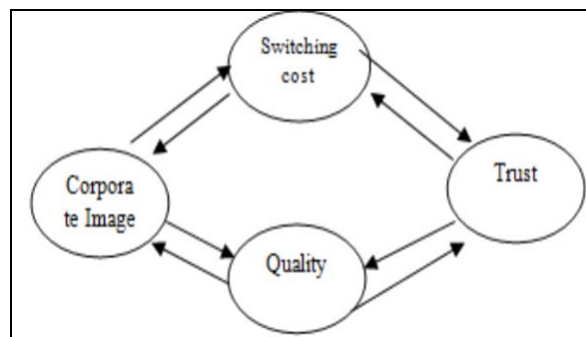


Figure 1: Brand switching factors

is simple to introduce a new product. It also benefits the marketer as well as the client relationship.

Trust: One of the most valuable assets a business may have is trust. Building trust among people and

keeping it for a long time is a challenging endeavour. It shows the customer's expectation of an excellent product from the company.

Quality: It is a challenging challenge to build and maintain customer trust in the market; therefore, a company should provide a high-quality product because the client will be looking to see if the product or service is worth the money they have paid.

Switching cost: This is the cost incurred by a customer when switching from one brand to another. If the switching cost is low, customers are more likely to switch from one brand to another; nevertheless, if the switching cost is high, customers are more likely to reconsider switching brands.

1.3 Fast Moving Consumer Goods

Quickly moving Consumer packaged goods (CPG) are a popular term for fast moving consumer goods (FMCG). All commodities (excluding groceries and pulses) that individuals buy on a regular basis fall under this category. Toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged meals, and domestic accessories are among the most popular items on this list, which also includes some technology goods. These items are intended for daily usage and regular consumption, with a significant return on investment. The sector is divided into two distinct segments:

The premium segment, which caters primarily to the urban upper middle class; and the popular segment, which has prices as low as 40% of the premium segment.

Due to India's rapidly growing economy, rising per-capita incomes, and rising urbanisation trend, the FMCG market is expected to grow to Rs. 180000 crore by 2015.

Because FMCG products are typically modest but sell in big quantities, the cumulative earnings on such products can be substantial.

Fast Moving Consumer Goods (FMCG) are products with a high turnover rate and a low cost (FMCG). Fast-moving consumer goods (FMCG) are those that are replaced within a year. FMCG products include toiletries, soap, cosmetics, teeth cleaning products, shaving products, and detergents, as well as non-durables like glassware, bulbs, batteries, paper products, and plastic goods. Pharmaceuticals, consumer electronics, packaged food products, soft beverages, tissue paper, and chocolate bars are all examples of FMCG. Fast Moving Consumer Electronics (FMCE) are a subset of FMCGs that includes new electronic items such as cell phones, MP3 players, digital cameras, GPS systems, and laptops. These are changed at a higher rate than other

electronic items. Refrigerators, televisions, music systems, and other domestic electrical equipment are referred to as white goods in FMCG.

2. REVIEW OF LITERATURE

Bhatt, Viral & Saiyed, Maaz. (2018) - A brand is any name, design, style, words, or symbols that identify one product from another in the eyes of the buyer, whether used alone or in combination. A consumer's decision to purchase a product from a different brand than the one previously or frequently purchased is known as brand switching. When a consumer or a group of consumers transfers their loyalty from one brand of a given type of product to another, this is known as brand switching. This brand switch could be a one-time thing or something that lasts a long time. Brand leaping is another term for it. Reasons include: money-effectiveness, marketing mix, poor service, outdated technology, marketing communications, and so on. "I want to try that new product," says the brand fatigued customer. Rapidly Changing Consumer goods are items that can be purchased quickly and for a low cost. Soft drinks, shampoos, over-the-counter goods, processed foods, and a variety of other consumables are all examples. The food product segment is the most popular, accounting for 43% of the total market. Personal care (22%) and fabric care (12%) are in second and third, respectively, in terms of market share. The goal of this research is to detect and analyse consumer brand switching behaviour. Descriptive the term "research" refers to the process of describing the features of a population or phenomenon under investigation. The study used the Convenient Sampling method with a sample size of 400 respondents. Primary data is gathered with the use of a standardised questionnaire. Secondary data is gathered from the company's product catalogue, the company's product range book, and some articles with links to websites, magazines, newspapers, literature reviews, case studies, and the Internet.

A. Jafersadhiq and S. Nagarajan (2019) - Toiletries items have become fundamental necessities for individuals in recent years, with about 55 products falling into several categories such as skin care, hair care, child care, and body care. The brand of this study is to look into the respondents' socioeconomic factors, customer buying behaviour in regards to toiletries, and the factors that influence customers when purchasing toiletries products. It will also look into the factors that cause millennial customers to switch from one brand to another when

purchasing toiletries products. Over 100 millennial respondents were polled for this study, and several tests such as percentage analysis, Kruskal-Wallis test, and Friedman test were performed. It is also discovered that respondents will be loyal to a brand if the brand achieves their level of pleasure. When this happens, the respondents are willing to recommend the brand to others and persuade them to try it.

Aurier Philippe and Victor Mejia (2017) - Variety-seeking and, more broadly, brand flipping are thought to be harmful to brands since they suggest a loss of consumers. However, no study has looked into the long-term effects of switching brands. This study looks at the effects of switching brands, specifically the likelihood of repurchasing a brand after switching to another. We can study the factors that influence these repurchase probability, both favourably and negatively, using a discrete dynamic duration model. Our findings emphasise the impact of marketing levers (price, promotion, etc.) on repurchase probability, as well as the significance of previous consumer behaviour (number of switches, proportion of purchase, etc.).

Pallavi G, Shashidhar (2015) - The Fast Moving Consumer Goods (FMCG) sector is India's fourth largest industry, affecting everyone's daily lives. In the marketing of fast-moving consumer goods, consumer behaviour is crucial. Several factors influence this behaviour. Consumers' demands and wants vary with time in today's globalised world. The fast-moving consumer goods (FMCG) industry contributes significantly to India's GDP growth. As a result, it's critical to track changes in consumer buying habits when it comes to fast-moving consumer goods (FMCG). The research focused on these three categories, as well as the product portfolios of both companies. The research revolves around a comparison of the two companies' brand awareness. Consumers' consumption patterns and the kind of things they use are also factors in determining their satisfaction levels. The information for this study was gathered by a questionnaire that was delivered to 50 consumers in the Mysuru district of Karnataka, and the data were displayed in tables and graphs. The two leading FMCG brands examined for the study are HUL and P&G.

Anuj Thapa (2012) investigated consumer switching behaviour in the context of shampoo brands and discovered that the impact of packaging, price increases in current brands, brand schemes, and

the impact of advertising are all factors that influence consumer switching behaviour.

Hari Mohan Kansal (2015) is a film directed by Hari Mohan Kansal. The purpose of this study is to determine the factors that influence consumer purchasing behaviour and preferences in the Iranian FMCG industry. In this study, 861 questionnaires were sent, with 401 being returned, yielding a response rate of 53.4 percent. A five-point Likert scale was utilised in the questionnaire. To elicit a wide range of responses from a diverse range of people, including those of varying ages, education levels, income levels, and types of occupations; and to do so in a variety of settings, including a shopping mall, a club, and a university. Respondents were asked to rate the impact of variables on the measured variable (shampoo characteristics) on a scale of very high to very low. In the Iranian market, researchers discovered that reinforcement, antidandruff, beautiful packaging, and gleam are the most essential features to affect consumer buying attitudes. However, the primary reasons to buy branded shampoo are sustainability, price, and quality, and it should be viewed as the main competitive advantage plan for branded shampoo.

3. RESEARCH METHODOLOGY

3.1 Research Methodology

To obtain answers to the questions and extract brand switching factors of buyers of Fast-Moving Consumer Goods in Chennai city, this study used both descriptive and realistic approaches.

Questionnaire Design, Sampling, Sampling Justification, and Statistical Tools used in this study are all part of the study's methodological section.

3.2 Sources for data collection

Primary data – The respondents' primary data was acquired through a questionnaire.

Secondary data - Secondary data was gathered via the internet, periodicals, research papers, journals, books, and theses, among other sources.

3.3 Data collecting tools

This study's primary data collection instrument is a questionnaire. The main study's questionnaire is consisted of closed-ended structured questions.

3.4 Products consider

Five products were studied to determine brand loyalty and brand switching behaviour among Fast-Moving Consumer Goods customers: personal care, dental care, domestic care, food and beverages, and

consumer electronics. Brand awareness, brand knowledge, brand 251 reputation, perceived quality, perceived value, trustworthiness, brand promotion, repeat purchase, and brand satisfaction are all factors evaluated in this study.

3.5 Techniques for Sampling

A purposive sampling technique was used to elicit customer impressions of several aspects of brand switching Behaviour from FMCG customers. Only 594 of the 689 respondents' responses were deemed to be appropriate for analysis purposes. As a result, the study's exact sample size is limited to 594 people.

3.6 Data Analysis Statistical tools

Statistical Package for Social Sciences was used to analyses the computerized data (SPSS). The following are some of the statistical tools that were used in this investigation.

The demographic profile, FMCG brand consumption details, and general view of brand switching among

customers were all expressed using percentage analysis.

Parametric one-sample "t" test was used to determine how respondents felt about the various FMCG brands they use.

4. DATA ANALYSIS

4.1 Socio- Profile of the Respondents

The study's demographic variables are strongly linked to the desires, expectations, and satisfactions of consumers. Age, gender, marital status, educational qualifications, occupational status, monthly income, and family size are all important demographic details to investigate. In terms of demographic information, it is critical because it will have a significant impact on the customer's expectations and perceptions. As a result, to achieve the results, the frequency distribution was used to expose the results of the customers' socio-economic data, which are mentioned below.

Table 1: Socio- Profile of the Respondents

S. No	Demographic Profile	Classifications	Frequency	Percentage (%)
1	Age group	Below 20	72	12
		21-25	108	18
		26-30	95	16
		31-35	54	09
		36-40	64	11
		41-45	72	12
		46-50	24	04
		51 And above	105	18
	Total	594	100	
2	Gender	Male	246	41
		Female	348	59
		Total	594	100
3	Marital status	Married	420	71
		Un -married	174	29
		Total	594	100
4	Educational Qualification	Up to Hr. Sec	126	21
		Graduate	255	43
		Postgraduate	141	24
		Professional	36	06
		Others	36	06
		Total	594	100
5	Occupational Status	Business	21	03
		Profession	36	06
		Private Employee	207	35
		Govt. Employee	09	02
		Housewife	168	28
		Students	93	16
		Others	60	10
		Total	594	100
6	Monthly Income	Below 10,000	60	10
		10,001-20,000	135	23
		20,001-30,000	105	18
		30,001-40000	48	08

	40,001 and above	246	41
	Total	594	100

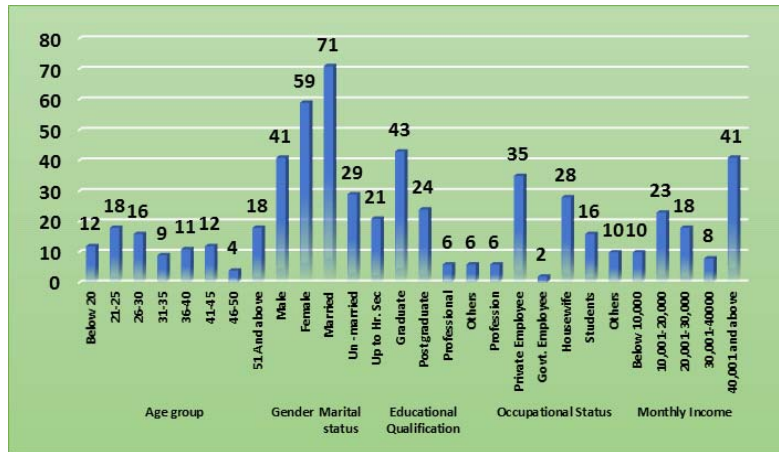


Figure 2: Socio- Profile of the Respondents

According to the above frequency distribution table, a maximum of 18% of Fast-Moving Consumer Goods (FMCG) clients are between the ages of 21 and 51, and a minimum of 4% of respondents are between the ages of 46 and 50. Female respondents make up a maximum of 59 percent of the total, while male respondents make up a minimum of 41%. The chart also shows that across the various sample categories, a maximum of 71 percent of the respondents are married, while the remaining 29 percent are single. In terms of educational credentials, the highest percentages of respondents (43%) are graduates, followed by 24 percent of postgraduates, and a minimum of 6% of respondents are professionally qualified and other qualifications. In terms of respondents' occupational status, a maximum of 35% of respondents are classed as private employees, while a minimum of 2% of respondents are classified as government employees. A maximum of 41% of the respondents' monthly income is in the category of Rs 40,001 and above,

and a minimum of 8% of the respondents' income is in the group of Rs 30,001-40,000, according to the frequency distribution.

4.2 Brand Switching

The practice of transitioning from the regular use of one product or brand to the regular use of a different but similar product is known as brand switching. It is a difficult and complicated challenge for service providers to maintain their long-term viability. Customers determine whether or not a product meets their expectations by comparing previous expectations to perceived product performance. The main causes for brand switching are low participation and product quality features.

4.2.1 Consumer Behaviour and preferences towards brand switching in FMCG

Several criteria have been identified by the researcher that influences the level of consumer agreement on brand switching.

Table 2: Consumer Behaviour and preferences towards brand switching in FMCG - One-sample Statistics

Variables	N	Mean	Std. Deviation	Std. Error Mean	T	Sig. (2-tailed)
					Lower	Lower
Promotional offers	279	3.8602	1.41364	.08463	10.164	.000
Advertisements	279	3.6989	1.23601	.07400	9.445	.000
Advice of friends and relatives	279	3.6774	1.25659	.07523	9.005	.000
Unsatisfied quantity	279	3.7634	1.16048	.06948	10.989	.000
Unsatisfied quality	279	3.9570	1.08867	.06518	14.683	.000
Over price	279	3.7742	1.21260	.07260	10.664	.000
Product non availability	279	3.7097	1.25159	.07493	9.471	.000
Medical grounds	279	3.0860	1.25224	.07497	1.147	.252

Just for a change	279	3.7634	1.39679	.08362	9.129	.000
No up gradation	279	2.9140	1.43684	.08602	-1.000	.318

The mean values of ten variables ranged from 2.91 to 3.95 in the table above, with a continuous standard deviation of larger than 1. The following table explains the relevance of the mean values of the variables.

The “t” values 9.00, 9.12, 9.44, 9.47, 10.16, 10.66, 10.98, 14.68 are statistically significant at the 5% level, according to the preceding table. As a result, clients of Fast-Moving Consumer Goods (FMCG) firmly agree that they move brands owing to promotional offers, advertisements, friends and relatives' recommendations, unsatisfied quantity and quality, overprice, product unavailability, and simply for a change. Customers were split on whether or not they should switch brands due to medical reasons and whether or not they should upgrade.

Customers have recently changed their FMCG brands. When the FMCG with the following features is clearly unsatisfied by its customers due to the following factors, brand switching behavior will be initiated:

- Brand promotion.
- Brand satisfaction,
- Easy product availability,
- Expected performance,
- Good experiences with their brand
- Good packaging and protective measures,
- Good raw materials and ingredients and
- Low defects and flaws,

- Nice physical appeal,
- Perceived value,
- Promotional offers,
- Quality and quantity expectations.
- Reasonable and economical prices, and
- Suitability of all requirements
- Up gradation process,

Customers' views about the variables described above are unsatisfactory. As a result, customers have the option of changing their FMCG brand. When the FMCG is definitely satisfied by their clients based on the following factors, brand loyalty will be initiated.

- Brand promotion and
- Brand satisfaction,
- Easy product availability,
- Expected performance,
- Good experiences with their brand.
- Good packaging and protective measures,
- Good raw materials and ingredients and
- Low defects and flaws,
- Nice physical appeal,
- Perceived value factors.
- Promotional deals,
- Quality and quantity expectations.
- Reasonable and economical prices,
- Suitability of all necessities.
- Up gradation process.

Following the analysis of loyalty factors, the researcher wanted to look into the brand switching model using Bi-Polar segmentation percentages for all five products, as shown in the tables below:

Table 3: Brand Switching Model

General Opinion	Personal Care	Oral Care	Household Care	Food and Beverages	Consumer Electronics
Brand Connectivity	6.89%	12.83%	11.45%	2.78%	6.23%
Brand Concern	3.07%	4.77%	0.28%	4.46%	4.07%
Brand Emotion	3.91%	5.62%	3.98%	1.65%	3.28%
Brand Image	5.35%	3.62%	3.69%	4.47%	4.50%
Brand Credibility	4.52%	6.27%	5.49%	0.27%	0.25%
Brand Association	3.05%	5.86%	5.69%	2.48%	0.75%
Total	27%	39%	31%	16.11%	19.08%

4.2.3 Position of Brand switching in FMCG

In the table below, brand switching positions across brands and within brands of FMCG are clearly identified:

Table 4: Position of Brand switching between the brand and within the FMCG

Particulars	Brand names	Brand switching (Yes)	Brand loyalty (No)
Personal Care	VVD	38.7%	-
	Parachute	-	41.3%
Oral Care	Colgate	41.9%	35.2%
Household Care	Surf	57%	55.9%

Food and Beverages	Horlicks	38.7%	35.9%
Consumer Electronics	Samsung	45.2%	48.6%

In the case of personal care products, 38.7% of VVD consumers swap brands, while 41.3 percent of parachute users remain faithful to their brand. In the case of oral care products, 41.9 percent of Colgate customers transfer to another brand, while 35.2 percent of same-brand users stick with their current brand. In the case of household products, 57 percent of surf users migrate to another brand, while 55.9% of customers remain loyal to their current brand. In terms of food and beverages, 38.7% of Horlicks users shifted to another brand, while 35.9% remained loyal to their original. In the consumer electronics industry, 45.2 percent of Samsung mobile phone users migrate to another brand, while 48.6 percent stay with the same brand.

5. CONCLUSION

Customers' expectations and levels of satisfaction will differ from person to person, depending on their own perceptions and ideologies. Customers may swap brands if they are dissatisfied with a product during their usage experience. As a result, it is apparent that both brand loyalty and brand switching are entirely dependent on user experience. In this study, the brand loyalty and brand switching behavior of customers of Fast-Moving Consumer Goods were investigated.

The Customers of FMCG move brands owing to promotional offers, advertisements, friends and relatives recommendations, unsatisfied quantity and quality, overpriced product unavailability and just for a change. In the case of personal care products, 38.7% of VVD consumers swap brands, while 41.3 percent of parachute users remain faithful to their brand.

REFERENCES

1. S. Nagarajan, A. Jafersadhiq (2019). A Research on Brand Switching Factors of Millennial Customers on Toiletries. *International Journal of Innovative Technology and Exploring Engineering (IJITEE)* ISSN: 2278-3075, Volume-8 Issue-12S, October 2019
2. Bhatt, Viral & Saiyed, Maaz. (2018). AN EMPIRICAL STUDY ON BRAND SWITCHING BEHAVIOR OF CONSUMERS IN THE FMCG INDUSTRY W.R.T AHMEDABAD. *Roots International Journal of Multidisciplinary Researches*. Vol.2 Special Issue 2 February 2018 ISSN: 2456-5571
3. Mejia, Victor Philippe, Aurier. (2017). Brand-switching and consumers' unloyalty for FMCG: a dynamic duration model.
4. Pallavi G, Shashidhar (2015). A Study on Consumer Behavior towards Selected FMCG. *International Journal of Engineering and Management Research*. Volume-5, Issue-2, April-2015, Page Number: 303-320
5. Hari Mohan Kansal (2015). BRAND INFLUENCE ON BUYING FMCG PRODUCTS IN UTTAR PRADESH: AN EMPIRICAL STUDY. *International Journal of Science technology and management*. Vol no.4. Issue no 12
6. Awogbemi, Clement Adeyeye, Oloda, Festus Smart and Osama, Caleb Kehinde (2012), "Modeling Brand Switching in Consumers' Products", *Journal of Economics and Sustainable Development*, Vol.3, No.12, pp.82- 86.
7. Komal Nagar (2009), "Evaluating the Effect Of consumer Sales Promotions on Brand Loyal and Brand Switching Segments", *The Journal of Business Perspective*, Vol.13, No. 4, pp.35-48.
8. Osama Sam Al-Kwafi and Zafar U. Ahmed (2015), "An Intellectual Journey into the Historical Evolution of Marketing Research in Brand Switching Behavior – Past, Present and Future", *Journal of Management History*, Vol. 21 Iss: 2, pp.172 – 193
9. B.V.N.G. ChandraSekhar (2012), "Consumer Buying Behaviour and Brand Loyalty in Rural Markets: FMCG", *IOSR Journal of Business and Management*, Vol. 3, Iss 2, pp. 50-67
10. Chin –Tsai Lin, Su –Man Wang, and Huei – Ying Hsieh (2003), "The Brand – Switching Behaviour of Taipei Female Consumers when Purchasing U –V Skincare Products", *International Journal of Management*, Vol.20, No.4, Pp.443- 452.