

PERCEIVED VALUE BASED BUYING BEHAVIOUR OF CONSUMERS TOWARDS PERSONAL CARE PRODUCTS IN RURAL AND URBAN AREAS OF TIRUPPUR

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ABSTRACT

Fast Moving Consumer Goods are popularly known as Consumer Packaged Goods. This includes all consumables (other than grocery/pulses) bought at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, household accessories and certain electronic goods. The Personal Care Products (PCP) market in India is estimated to be worth USD 4 billion per year. Personal hygiene products (including bath, shower products, and deodorants etc.), oral care, hair care, skin care, cosmetics, colour cosmetics, and fragrances are the key segments of the personal care market. It is said that India lies in villages, even today, though there are lots of talk about migration of population to cities, 70% of the Indian population still live in villages. There is a very stark difference in pace of rural and urban growth. Unless there isn't a balanced development, Indian economy cannot grow. Tiruppur is a city, situated in southern region of the Indian state, Tamil Nadu. Tiruppur is an administrative headquarters of Tiruppur district and the fifth largest urban agglomeration in Tamil Nadu. The study focuses on understanding the problems related to Product Quality, Perceived Risk and Relative Price that have impact on perceived value based buying behaviour of consumers towards personal care products in rural and urban areas of Tiuppur District. Therefore, the objective framed is to analyze the perceived value based buying behaviour of consumers towards personal care products in rural and urban areas of Tiuppur. The research is descriptive in nature. Primary and secondary data are used for data collection. The study area is limited to Tiruppur District limits and all prominent places where consumers visit that includes - Retail outlets, Open Market, Shopping Complex, Departmental Stores, etc. Five hundred and twenty five (525) samples were taken using convenient sampling method. It is found that only perceived risk and perceived value are found to be significant and no significance is achieved between price and value. Also, quality and perceived value was found to be supporting the null hypothesis. Advertisement and its impact on consumers buying personal care products can significantly influence the consumers in most of the aspects and therefore it is concluded that if the suggestions and recommendations may be considered by the policy makers to formulate appropriate methods to reach the minds of public, which can help them to establish their authority with safe and sound growth in the rural and urban markets, not only in Tiruppur district but also in the India as well.

KEYWORDS: Rural, Urban, Consumers FMCG, Personal Care Products, etc

INTRODUCTION

Fast Moving Consumer Goods are popularly known as Consumer Packaged Goods. This includes all consumables (other than grocery/pulses) bought at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and certain electronic goods. These items are meant for daily or frequent consumption and have a high return. The FMCG sector consists of three

product categories such as Household Care, Personal Care and Food and Beverages each with its own hosts of products that have relatively quick turnover and low costs.

Table 1: FMCG Products Category

| Category | Products |
|---------------------|---|
| Household Care | Fabric wash (laundry soaps and synthetic detergents); household cleaners (dish / utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides, mosquito repellents, metal polish and furniture polish). |
| Food and beverages; | Health beverages; soft drinks; staples/cereals; bakery products (biscuits, bread, cakes); snack food; chocolates; ice cream; tea; coffee; soft drinks; processed fruits, vegetables; dairy products; bottled water; branded flour; branded rice; branded sugar; juices etc. |
| Personal Care | Oral care, hair care, skin care, personal wash (soaps); cosmetics and toiletries; deodorants; perfumes; feminine hygiene; paper products. |

Personal Care Products Market in India

The Personal Care Products (PCP) market in India is estimated to be worth USD 4 billion per year. Personal hygiene products (including bath, shower products, and deodorants etc.), oral care, hair care, skin care, cosmetics, colour cosmetics, and fragrances are the key segments of the personal care market. There is a rise in the awareness of Indian consumers towards the use of cosmetics which leads to the increase in the total growth of the entire cosmetic industry. This study is conducted considering the rural and urban areas of Tiruppur District.

Rural Urban Divide

It is said that India lies in villages, even today when there is lots of talk going about migration to cities, 70% of the Indian population still lives in villages. There is a very stark difference in pace of rural and urban growth. Unless there isn't a balanced development, Indian economy cannot grow.

Tiruppur District: An Overview

Tiruppur is a city in the region of the Indian state of Tamil Nadu. Tiruppur is the administrative headquarters of Tiruppur district and the fifth largest urban agglomeration in Tamil Nadu. Located on the banks of Noyyal River, it has been ruled at different times, by the early Pandyas, Medieval Cholas, Later Cholas, Vijayanagar Empire, Madurai Nayaks, Mysore Kingdom and the British. It is situated at the center of the South Indian Peninsula, about 450 kilometres (280 mi) southwest of the state capital Chennai and about 50 kilometres (31 mi) east of Coimbatore.

LITERATURE REVIEW

Poranki, Kameswara. (2015)³⁵ claim that it is a difficult task to analyze and narrow down on the factors that influence the consumer to purchase a certain cosmetic product for personal care, since there is no single discernible factor at play but there are several dimensions to this choice by the customers, and hence this is a multi-dimensional problem for consideration. There are several connections that exist in the choice of a product for the consumers and it is not limited just to the physiological perceptions, but it is also influenced by the factors like knowledge about the product, the experience with the product, or similar such products, their attitudes and also the beliefs held by the consumer. In other words, it is not a simple sensory perception of the product by the consumer. Again, in the global market, there is a huge demand posed by the consumers today, in terms of the quality of the product, the safety regulations, the health standards and regulations that the manufacturers need to meet, and so on, it becomes very difficult to ascertain the perception of the consumer.

Rajarajan M. and Birundha G., (2015)³⁷, state that there has been a change in the trend in the cosmetic industry, and that more and more consumers are shifting towards natural or herbal cosmetic products. The reason for this change is preference from the synthetic one is the understanding that the natural ones have minimal or no side effects, unlike the synthetic or chemical ones, and the natural cosmetics equally enhance one's physical appearance. It is also suggested by the researchers that the suggestions they have offered after analyzing the situation, will bring a great deal of happiness and contentment both to the customers and the manufacturers alike, since their ideas are for a win-win situation. The data for this seminar paper came from Annamalai University, and the respondents of this study were the female students in the University.

Anjana S S, (2018)⁴⁵, dealt with the area of cosmetic products, and analyzed the customer's buying behaviour towards these products, in order to ascertain the various factors that tend to influence the customers or have an impact on them in purchasing a product. From the study, it became evident that quality of the product, the brand, pricing of the product, the various modes of advertisement, which inform the customers about the products, and finally the way the product is packaged, all of these have significant influence towards the buying behaviour of the customers. There were some suggestions from the author for the companies to make their products more appealing to the customers.

STATEMENT OF THE PROBLEM

FMCG (Fast Moving Consumer Goods) sector in India began to flourish with a tremendous growth due to globalization and the manufacturing facilities set-out by multinational companies. Now-a-days, various choices are left to consumers in India for opting varied range of personal care products. The study concentrates in understanding the problems related to Product Quality, Perceived Risk and Relative Price that have an impact on perceived value based buying behaviour of consumers towards personal care products in rural and urban areas of Tiruppur District. Therefore, the objective framed is

OBJECTIVES OF THE STUDY

To analyze the perceived value based buying behaviour of consumers towards personal care products in rural and urban areas of Tiruppur.

METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. The research is descriptive in nature. Primary and secondary data are used for data collection. The area covered is within the District of Tiruppur limits and the prominent places where consumers make visits such as Retail outlets, Open Market, Shopping Complex, Departmental Stores, etc. Five hundred and twenty five (525) samples were taken using convenient sampling method. The collected data were analyzed with the help of tools like Descriptive Statistics and Structural Equation Modelling. For testing the reliability of the variables, Cronbach's Alpha method is used.

ANALYSIS AND RESULTS

Table 2: Items and Constructs showing Descriptive Statistics

| Sl. No. | Items and Constructs | Mean | Std. Deviation | Cronbach's Alpha |
|---------|----------------------|------|----------------|------------------|
| 1 | Relative price | | | |
| | RP1 | 4.00 | 1.214 | 0.827 |
| | RP2 | 4.02 | 1.032 | |
| | RP3 | 3.65 | 1.360 | |
| 2 | Perceived Risk | | | |
| | PR1 | 3.77 | 1.177 | 0.912 |
| | PR2 | 3.55 | 1.096 | |
| | PR3 | 3.58 | 1.235 | |
| | PR4 | 3.68 | 1.131 | |
| | PR5 | 3.72 | 1.075 | |
| 3 | Perceived Quality | | | |
| | PQ1 | 4.35 | 0.750 | 0.729 |
| | PQ2 | 4.20 | 0.683 | |
| | PQ3 | 4.30 | 0.766 | |
| 4 | Perceived Value | | | |
| | PV1 | 4.63 | 0.535 | 0.764 |
| | PV2 | 4.18 | 0.998 | |
| | PV3 | 4.50 | 0.700 | |

Item statistics shows the mean scores of Relative price of buying personal care products RP1=4.00, RP2=4.02, RP3=3.65 and its mean ranges from M=3.65 (SD= 1.360) to M =4.02 (1.032) and the reliability is high with the Cronbach's alpha of 0.827. Second construct shows the mean scores of Perceived Risk of buying personal care products PR1=3.77, PR2=3.55, PR3=3.58, PR4=3.68, PR3=3.72 and its mean ranges from M=3.55 (SD= 1.096) to M =3.77 (1.177) and the reliability is high with the Cronbach's alpha of 0.912. Third construct shows the mean scores of Perceived Quality of buying personal care products PQ1=4.35, PQ2=4.20, PQ3=4.30 and its mean ranges from M=4.20 (SD= 0.683) to mean=4.35 (0.750) and the reliability is moderate with the Cronbach's alpha of 0.729. Fourth construct is the dependent variable that shows the mean scores of Perceived Value of buying personal care products PV1=4.63, PV2=4.18, PV3=4.50 and its mean ranges from M=4.18 (SD= 0.998) to mean=4.63 (0.535) and the reliability is moderate with the Cronbach's alpha of 0.764.

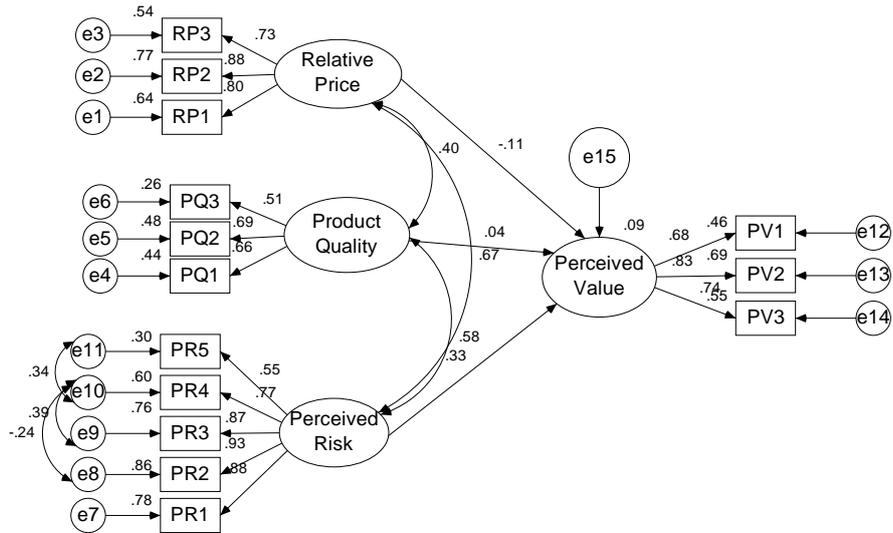


Figure 1: Standardized Model Measuring Direct Effect between Value And Price, Quality & Risk.

Table 3: Regression Weights Measuring Direct Effect between Value And Price, Quality & Risk

| | | | Estimate | S.E. | C.R. | P |
|-----------------|------|-----------------|----------|------|--------|------|
| Perceived_Value | <--- | Product_Quality | .032 | .055 | .581 | .561 |
| Perceived_Value | <--- | Perceived_Risk | .116 | .030 | 3.826 | *** |
| Perceived_Value | <--- | Relative_Price | -.040 | .028 | -1.445 | .148 |

Regression results of the model shows relationship between perceived value as dependent variable and price, quality and risk factors as independent variables recorded the beta co-efficient between relative price and perceived value - 0.040, t=-1.445, sig.0.148 did not achieve statistical significance to accept H₀. Whereas, there is significant relationship between perceived risk and perceived value with the co-efficient 0.116, t=3.826, sig.0.000 to reject H₀, and finally, product quality and perceived value did not have significant relationship 0.032, t=0.581, sig.0.561 to accept the null hypothesis. It is found that only perceived risk and perceived value are found to be significant and no significance is achieved between price and value as well as quality and perceived value supporting the null hypothesis.

Table 4: Model Summary Measuring Direct Effects between Perceived Value and Price, Quality and Risk

| Model | CMIN/DF | RMR | GFI | AGFI | NFI | CFI | RMSEA |
|----------------------------|---------|-------|-------|-------|-------|-------|--------|
| Default Model (Knowledge) | 374.349 | 0.058 | 0.908 | 0.858 | 0.910 | 0.925 | 0.093 |
| Hu and Bentler (Threshold) | < 5 | > 0.9 | > 0.9 | > 0.8 | > 0.9 | > 0.9 | < 0.08 |

Fitness index of the CFA model and the direct effect model measuring all dimensions such as price, quality, perceived risk measuring perceived value buying personal care products among rural and urban consumers in Tirupur district shows moderate fitness level with the CMIN/df=373.349, RMR=0.069, CFI=0.925, GFI=0.908, AGFI=0.858 and RMSEA=0.093.

SUGGESTIONS

- Promotional effectiveness can play major role in consumer preference towards personal care products. It is

recommended that information of the product communicated through popular celebrity can elevate the level of preference among consumers.

- It is understood that there is a need to improve exhibiting the product features in all the retail outlets which the consumers felt that the personal care products have not shown specific attraction among customers. This can be further fine tuned through brand endorsement. Therefore, it is suggested that presentation and support for the brand to bring out the features need to be significantly improved by the policy makers to effectively advertise the products to stamp their trademark in the minds of the consumers.

CONCLUSIONS

The study concludes that most of the students are highly aware of the personal care products. The people now-a-days are not considering the personal care products like cosmetics as luxury, most of the consumers feel that there are more chemicals in cosmetics, which cause many side effects, and started switching over to herbal based cosmetics. Due care should be taken with respect to price, quality, originality / product genuineness, sales promotion that can help the consumer to attempt a trial of purchasing the product, who if satisfied may prefer in buying the products in due course of time. Advertisement and its impact on consumers buying personal care products can significantly influence the consumers in most of the aspects and therefore it is concluded that if the suggestions and recommendations may be considered by the policy makers to formulate appropriate methods to reach the minds of public can help them to establish their authority with safe and sound growth in the rural and urban markets not only in Tirupur district but also in the India as well.

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