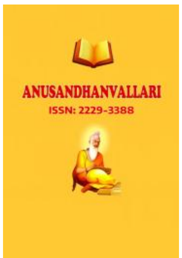


Anusandhanvallari
Vol 2025, No.1
January 2025
ISSN 2229-3388

Exploring The Buying Culture and Acceptance of Innovative FMCG Products in Palakkad District

B. Parvathi[1], Dr. P. Annamuthu[2]
[1]Ph. D, Research Scholar, Sri Krishna Arts and Science College, Coimbatore- 641008.
Assistant Professor, Department of Commerce AF/M. Com IB,
Sri Krishna Arts and Science College, Coimbatore - 641008.
E. Mail: annamuthup80@gmail.com, Orchid: https://orcid.org/0000-0002-5458-035X

Abstract: FMCGs (Fast Moving Consumer Goods) market in India is fast changing, not only with the shift in Indian demographic segments of India. Manufacturers and marketers of FMCGs adopt tailored strategies to attract and influence the buying of innovative products among consumers. This article to aims to assess the FMCGs buying behaviours among Consumers in Palakkad district and to measure the consumers' attitude towards the acceptance of innovation introduced in FMCGs and their satisfaction with the innovation introduced. The article is exploratory and descriptive in nature. The authors adopted qualitative and quantitative techniques for data analysis and for drawing interpretations. The researcher distributed 250 questionnaires in the urban regions of Palakkad district in Kerala and succeeded in collecting 225 fully-filled in questionnaires from the respondents i.e., FMCGs consumers residing in Palakkad district. Found that 92 per cent of the sample consumers appreciated the innovation incorporated in a specific product design (changes in the shape and style of the product). FMCGs consumers claimed satisfaction with the innovation in FMCGs products' design (changes in the shape & style of the product) (87.91 per cent). It was concluded that there exists an association between the type of FMCGs innovation encountered by them and their post-purchase satisfaction realised by them. The article concluded with an awakening thought that FMCGs' buyer market is huge and completely different from other Asian and Western country buyers, as consumers are divided into different segments based on their demographic status, social class, regional impurities, religious practices, caste system, and various psychological aspects. The authors suggest that FMCGs manufacturers and marketers to understand the above-mentioned criteria while introducing a new product or innovative products in a specific segment and innovation should be combined with health, product features (natural /herbal etc.,) and environment-conscious features, to attract the buyer segment across all geographical regions and social segments.

Key Words: FMCGs, Buying Behaviour, Product Innovation**,** New Product.

Introduction

The FMCG (Fast Moving Consumer Goods) market in India is rapidly changing, not only due to shifts in Indian demographic segments, but also with the evolving needs of consumers. In this context, it can be stated that inflation, decreasing demand for various products, technological development, and market competition are determining the current and future prospects of the FMCG market in India. FMCGs manufacturing companies and marketers are adopting different steps cum pro-active strategies to tackle the challenges they encounter i.e., through adopting innovative techniques i.e., with the change in product features (environmental safe, less carbon footprint, healthier, natural, technological innovative), size, packages style and size, price, promotional techniques, place of purchase etc., with the support of AI (Artificial Intelligence), digitalisation and E-commerce techniques (Kanvic, 2023) and by adopting effective SCM (Supply Chain Management) efficiency (India Macroeconomic Indices, 2025).

Anusandhanvallari
Vol 2025, No.1
January 2025
ISSN 2229-3388

Status of FMCG Sector in India

The FMCG sector is ranked the 4th largest sector in India, valued at US$137 billion, contributing 3 percent to the nation's GDP (Gross Domestic Product). The sector recorded 7-9 per cent growth in the financial year 2024-25. The market is divided between urban (65 per cent) and rural consumers (35 per cent). Similarly, based on the product categories, the market is divided as: food and beverages (19 per cent), healthcare (31 per cent) and household and personal care (50 per cent). Indian consumers' spending for the purchase of FMCGs is huge, amounting to US$2.4 trillion (₹.2,08,51,200 crores) and is expected to rise to US$4.3 trillion (₹.3,73,58,400 crores). E-commerce of this sector was valued at US$83 billion in 2022 and is predicted to rise to US$185 billion by 2030 (IBEF, 2025).

Theme of the Paper

FMCGs are the quick-selling, affordable and short-shelf-life products, the sustainability of the market share and growth of these products are purely dependent on the frequency changes introduced in the products i.e., in terms of features, size, quality, packages and logistic distribution to retain the ever-changing consumer segment. From FMCGs manufacturers and marketers' point of view, they are keenly focus on product innovation based on the consumers' needs, changing their demand, competition between brands through smart strategies i.e., through introducing multi-brands and wide extension and deep product line, introduction of new product range, modification of existing products and reintroducing products with modification in package, size, colour, features etc (Vilas et al., (2023). From the point of view of FMCGs consumers, needs are fast changing with the rise in their income level, faster urbanisation and increasing online shopping trend among young and educated consumers (India Macroeconomic Indices, 2025). The market growth prospects are huge and bright, with potential opportunities for growth (Dutta, 2024). This article to aims:

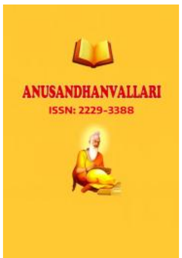
- To assess the FMCGs buying behaviours among Consumers in Palakkad district.
- To measure the consumers' attitude towards the acceptance of innovation introduced in FMCGs and their satisfaction with the innovation introduced.

Literature Discussion

Literatures available on the study topic were explored and few discussions are presented in this section.

Dhanaraj (2021) stated that FMCGs sector in India is experiencing incredible growth and the rural market is huge, yet to be explored more. With the rise in education, income level, awareness towards various product usage and changing lifestyle of rural people creates a greater opportunity for growth in the future. Kumar and Obulesu (2020) mentioned that FMCG companies have to focus continuously on product innovation at different life-cycle and the innovation should be in accordance with the consumers' needs and regional demands for changes. FMCGs companies in India have successfully introduced unique products suitable for niche consumer segments, introduced products with different features, succeeded in introducing changes in package patterns and size (sachets, different sizes, adding fun features in packages, etc.). Arunachalam et al., (2020) reported that FMCGs companies strategically introduce new product variants to attract the low-income segment of consumers in India and in South American countries.

Sharma and Mahim Sagar (2023) said that retailers of FMCGs may face challenges in selling new or innovative products if they are not well-aware of the new changes incorporated in the brand and educate the buyers about the modified or new product features. As per Kourav and Sharma (2023), innovation introduced in FMCGs products could be well assessed through product labelling and environmental mindfulness expressed by them in



terms of product-centric and consumer-centric features highlighted while selling the products. Vanitha (2024) claims that manufacturers and marketers of FMCGs adopt tailored strategies to attract and influence the buying of innovative products among consumers in different demographic, social and economic strata.

Meta-analysis through light on the nature of product innovation introduced by the FMCG companies in India, its needs and the primary criteria that influence the adoption of product innovation.

Methodology and Design

The research design and methodology adopted for drafting this article are purely based on the nature of data collected, interpretation and summary of the article study. The article is exploratory and descriptive in nature. The authors adopted qualitative and quantitative techniques for data analysis and for drawing interpretations. The researcher distributed 250 questionnaires in the urban regions of Palakkad district in Kerala and succeeded in collecting 225 fully-filled in questionnaires from the respondents i.e., FMCGs consumers residing in Palakkad district. Questionnaire is framed containing demographic status of the FMCGs consumers residing in Palakkad district and queries on their FMCGs buying behaviour, their acceptance and satisfaction towards product innovation introduced by FMCGs manufacturers /marketers were framed by applying Likert's five-point scaling. A SE-Model is framed to measure the association between the type of FMCGs innovation encountered by consumers and their post-purchase satisfaction realised by them.

Results and Discussion

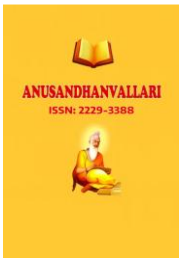
Two hundred and twenty-five (225) samples were distributed as 58.22 per cent female buyers and 41.78 per cent are men. The samples were equally distributed as far as their age is concerned i.e., less than 25 years to 46-50 years shoppers were counted to 12.44 per cent in each age segment and 6.22 per cent of age of them 51-60 years. Followed by, 13.79 per cent of the buyers age group between 41-45 years and remaining 12 per cent years age group between 46-50 years. Educational qualification of buyers as: technical education (27.56 per cent), undergraduate (26.22 per cent), postgraduate (20.44 per cent), school education completed (15.11 per cent) and diploma (10.67 per cent). Occupation of buyers are: private employee (42.23 per cent), government employee (26.67 per cent), professional, others (11.55 per cent) and students (8 per cent). During, 56 per cent of consumers are lived in joint family and the remaining 44 per cent of them are lived in a nuclear family.

TABLE: 1
NATURE OF FMCGS PREFERED TO
BUY AND ITS FREQUENCY OF BUYING

Variables	Sum	Mean	Rank	Percent
Personal Care & Hygiene Products	970	4.31	3	86.22
Healthcare Products	881	3.92	4	78.31
Beauty & Cosmetics	1015	4.51	**1**	90.22
Packed Food Item	975	4.33	2	86.67

Source: Primary Data

Consumers prefer to frequently buy the following FMCGs product categories: Beauty and Cosmetics (90.22 per cent), Packed Food Item (86.67 per cent), Personal Care & Hygiene Products (86.22 per cent) and Healthcare Products (78.31 per cent). These variables are ranked in the first to fourth place with WAM score of 4.51-3.92.



Anusandhanvallari
Vol 2025, No.1
January 2025
ISSN 2229-3388

TABLE: 2
IMPORTANCE OF BUYING VARIOUS FMCGS

Variables	Sum	Mean	Rank	Percent
Brand Name	913	4.06	4	81.16
Package Size	985	4.38	2	87.56
Value of the Product	896	3.98	5	79.64
Place of Purchase	922	4.10	3	81.96
Offers & Discounts	858	3.81	6	76.27
Newness in Product	1009	4.48	**1**	89.69
Other Features	663	2.95	7	58.93

Source: Primary Data

While buying FMCGs consumers' pay more attention to the newness in product (89.69 per cent), product package size (87.56 per cent), point of purchase (place) (81.96 per cent), brand name of FMCGs (81.16 per cent), value of the product (79.64 per cent), offers and discounts attached with the product (76.27 per cent) and various features (like price, brand reliability, availability etc.,) (58.93 per cent). These variables are ranked in the first to seventh place with WAM score of 4.48-2.95.

TABLE: 3
PREFERED BUYING FMCGS

Sl. No	Preferences	No. of Respondents	Percent
1.	From Nearby Retail Store	48	21.33
2.	From Departmental Store/Super Market	132	58.67
3.	From Specialised Stores	31	13.78
4.	From Online Store	14	6.22
	Total	225	100

Source: Primary Data

FMCG consumers try to source their product needs from departmental store/super market (58.67 per cent), from a nearby retail store (21.33 per cent), from specialised stores (13.78 per cent) and from online store (6.22 per cent).

TABLE: 4
NATURE OF CULTURE OF BUYING DECISION MAKER

Variables	Sum	Mean	Rank	%
Mother Takes Major Buying Decision	909	4.04	4	80.80
Father Source FMCGs for the Family	933	4.15	2	82.93
Children's Demand /Need are Prioritised	986	4.38	**1**	87.64
Collective Decision are Given Priortised	918	4.08	3	81.60
Choice of the Buyers	909	4.04	4	80.80

Source: Primary Data

Families in Kerala give more importance to the children's demand /need are prioritised by child while buying FMCGs (87.64 per cent) and male member of the family (Father) source FMCGs for the Family (82.93 per cent). Further, it was found that 81.60 per cent of the samples opined that they take a collective decision of buying FMCGs. In a nuclear family, shoppers take the decision to select of FMCGs brands and female member in the family (mother) also takes major buying decision (80.80 per cent). These variables are ranked in the first to fourth place with WAM score of 4.38-4.04.

TABLE: 5
PREFERRED BUYING INNOVATIVE PRODUCTS INTRODUCED IN THE MARKET

Sl. No	Preferences	No. of Respondents	Percentage
1.	Definitely Yes	58	25.78
2.	Depends on the Product	120	53.33
3.	Never Prefer to Buy Same Product	47	20.89
	Total	225	100

Source: Primary Data

Preferred buying innovative products introduced in the market are depended on the nature of product introduced (53.33 per cent). In two different section, FMCGs consumers divided in their opinion on accepting the innovation of FMCGs (25.78 per cent) and do not prefer to accept new products or innovations introduced (20.89 per cent).

TABLE: 6
TYPE OF INNOVATION ENCOUNTERED WITH FMCG PRODUCTS

Variables	Sum	Mean	Rank	Percent
Innovative Product Features (Herbal, Sun dried, technologically advanced processing)	970	4.31	5	86.22
Innovation in Product Design (Changes in the Shape & Style of the Product)	1035	4.60	**1**	92.00
Innovation in Product Package (Use of Eco-Friendly Packages)	974	4.33	4	86.58
Innovative Product Promotion (Unique Advertisement & Display Technique)	981	4.36	3	87.20
Innovative Product Delivery (Adopting Multiple Channels of Delivery)	986	4.38	2	87.64

Source: Primary Data

Samples consumers had appreciated the innovation incorporated in a specific product design (changes in the shape & style of the product) (92 per cent), innovative product delivery (adopting multiple channels of delivery) (87.64 per cent) and innovative in product promotion (unique advertisement & display technique) (87.20 per cent). The samples also praise innovation in product FMCGs package (use of eco-friendly packages) (86.58 per cent) and innovative FMCGs product features (herbal, sun dried, technologically advanced processing) (86.22 per cent). These variables are ranked in the first to fifth place with WAM score of 4.60-4.31.

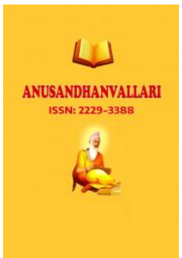


TABLE: 7
LEVEL OF SATISFACTION TOWARDS INNOVATION INTRODUCED IN FMCGS

Variables	Sum	Mean	Rank	Percentage
Innovative Product Features (Herbal, Sun dried, technologically advanced processing)	977	4.34	3	86.84
Innovation in Product Design (Changes in the Shape & Style of the Product)	989	4.40	**1**	87.91
Innovation in Product Package (Use of Eco-Friendly Packages)	981	4.36	2	87.20
Innovative Product Promotion (Unique Advertisement & Display Technique)	976	4.34	4	86.76
Innovative Product Delivery (Adopting Multiple Channels of Delivery)	937	4.16	5	83.29

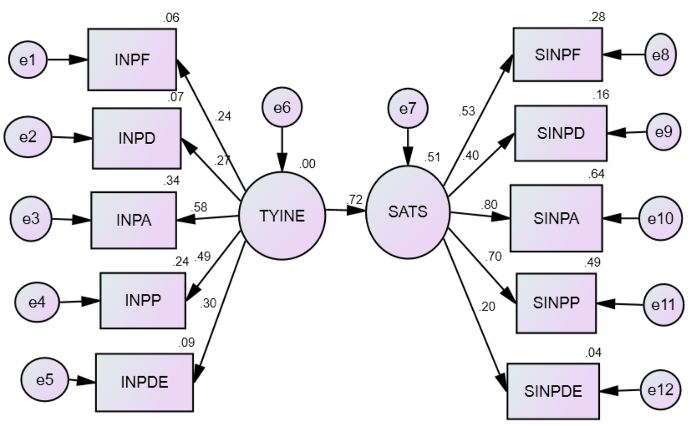
Source: Primary Data

FMCGs consumers were found to be satisfied with the innovation in FMCGs product design (changes in the shape & style of the product) (87.91 per cent), innovation introduced in product package (use of eco-friendly packages) (87.20 per cent), innovative in product features (herbal, sun dried, technologically advanced processing) (86.84 per cent), innovative in product promotion (unique advertisement & display technique) (86.76 per cent) and innovativeness adopted in product delivery (adopting multiple channels of delivery) (83.29 per cent). These variables are ranked in the first to fifth place with WAM score of 4.40-4.16.

Above presented literature discussion provided the needed input for drafting the SE-Model. The SEM model is performed to measure the association between the type of innovation encountered with the FMCG products and their level of satisfaction with the innovation introduced in FMCGs.

Ho: There exists an association between the type of FMCGs innovation encountered by consumers and their post-purchase satisfaction realised by them.

EXHIBIT: 1
TYPE OF INNOVATION ENCOUNTERED WITH THE FMCG PRODUCTS AND THEIR LEVEL OF SATISFACTION TOWARDS INNOVATION INTRODUCED IN FMCGS



Note: INPF- Innovative Product Features (Herbal, Sun dried, technologically advanced processing), INPD- Innovation in Product Design (Changes in the Shape & Style of the Product), INPA- Innovation in Product Package (Use of Eco-Friendly Packages), INPP- Innovative Product Promotion (Unique Advertisement & Display Technique), INPDE- Innovative Product Delivery (Adopting Multiple Channels of Delivery), SINPF- Stratification of Innovative Product Features (Herbal, Sun dried, technologically advanced processing), SINPD- Stratification Innovation in Product Design (Changes in the Shape & Style of the Product), SINPA- Stratification Innovation in Product Package (Use of Eco-Friendly Packages), SINPP- Stratification Innovative Product Promotion (Unique Advertisement & Display Technique), SINPDE- Stratification Innovative Product Delivery (Adopting Multiple Channels of Delivery), TYINE- Type of Innovation Encountered with the FMCG Products and SATS- Satisfaction towards Innovation Introduced in FMCGs.

TABLE: 1
GOODNESS OF FIT STATISTICS

Goodness of Fit Statistics		**Results**
Absolute fit	Chi square ($\chi 2$) of the Estimate model	98.824
Incremental fit	RMSEA	.005
	TLI	.998
	IFI	.979
	CFI	.972
Parsimonious fit	Parsimony fit ($\chi 2$ /df)	2.907

Level of Significance: 5 per cent

For hypothesis testing, the proposed model with all measurement items from the CFA was estimated. The results in Table 1 revealed acceptable fit indices of the model; $\chi 2$ = 98.824, $p < 0.001$, degrees of freedom =34; parsimony fit ($\chi 2$/df) = 2.907; GFI = 0.910; AGFI = 0.955; CFI =0.972; IFI = 0.979; RMSEA = 0.005.

TABLE: 8
STRUCTURAL MODEL RESULTS

Hypothesis	**Path**			**Standardized Estimates**	**C.R**	**Relationship**
Type of innovation encountered with the FMCG products and their level of satisfaction towards innovation introduced in FMCGs	SATS	<---	TYINE	.717	2.883	**Significant**
The intercorrelation of type of innovation encountered with the FMCG products	INPDE	<---	TYINE	.299	3.415	**Significant**
	INPP	<---	TYINE	.492	3.032	**Significant**
	INPA	<---	TYINE	.580	3.003	**Significant**
	INPD	<---	TYINE	.266	2.286	**Significant**
	INPF	<---	TYINE	.240	2.299	**Significant**
The intercorrelation of level of satisfaction towards innovation introduced in FMCGs	SINPF	<---	SATS	.528	2.412	**Significant**
	SINPD	<---	SATS	.403	4.795	**Significant**
	SINPA	<---	SATS	.799	5.950	**Significant**
	SINPP	<---	SATS	.697	5.931	**Significant**
	SINPDE	<---	SATS	.200	2.540	**Significant**

- Association between type of innovation encountered with the FMCG products and their level of satisfaction towards innovation introduced in FMCGs as: SATS vs TYIN PRQU vs EFFE (β=.717, p=.004) is found to positively correlated and significant.

- The intercorrelation of type of innovation encountered with the FMCG products as: INPDE vs TYIN PRQU vs EFFE (β=.299, p=.000), INPP vs TYIN PRQU vs EFFE (β=.492, p=.002), INPA vs TYIN PRQU vs EFFE (β=.580, p=.003), INPD vs TYIN PRQU vs EFFE (β=.266, p=.022) and INPF vs TYIN PRQU vs EFFE (β=.240, p=.022) are positively correlated and significant.

- The intercorrelation of level of satisfaction towards innovation introduced in FMCGs as: SINPF vs SATS PRQU vs EFFE (β=.528, p=.000), SINPD vs SATS PRQU vs EFFE (β=.403, p=.000), SINPA vs SATS PRQU vs EFFE (β=.799, p=.000), SINPP vs SATS PRQU vs EFFE (β=.697, p=.000) and SINPDE vs SATS PRQU vs EFFE (β=.200, p=.011) are positively correlated and significant.

Henceforth, the hypothesis is accepted and it has been found that there exists an association between the type of FMCGs innovation encountered by them and their post-purchase satisfaction realised by them.

Findings and Conclusion

The detailed data analysis provided insight that 90.22 per cent of the consumers prefer to buy beauty and cosmetic products and 89.69 per cent pay more attention to newness in products. Consumers primarily buy FMCG from departmental stores/supermarkets (58.67 per cent). It was inferred that 87.64 per cent of the families in Kerala give more importance to the children's demand /need is prioritised by the child while buying FMCGs. Approximately 92 per cent of the sample consumers appreciated the innovation incorporated in a specific product design (changes in the shape and style of the product). FMCGs consumers claimed satisfaction with the innovation in FMCGs products' design (changes in the shape & style of the product) (87.91 per cent). It was concluded that there exists an association between the type of FMCGs innovation encountered by them and their post-purchase satisfaction realised by them.

The article concluded with an awakening thought that FMCGs' buyer market is huge and completely different from other Asian and Western country buyers, as consumers are divided into different segments based on their demographic status, social class, regional impurities, religious practices, caste system, and various psychological aspects. The authors suggest that FMCGs manufacturers and marketers to understand the above-mentioned criteria while introducing a new product or innovative products in a specific segment and innovation should be combined with health, product features (natural /herbal etc.,) and environment-conscious features, to attract the buyer segment across all geographical regions and social segments.

Reference

[1] Abhilash Dutta (2024), The Future of FMCG in India: Innovation, Growth, and Emerging Trends, Linkedin, 25th August, https://www.linkedin.com/pulse/future-fmcg-india-innovation-growth-emerging-trends-abhilash-dutta-m5odc.
[2] Archana Sharma and Mahim Sagar (2023), Exploring new-product selling challenges in the FMCG sector: a qualitative method approach, Qualitative Market Research, Volume No.26, Issue.No 5, ISSN: 1352-2752, PP:494-533, June.

[3] Arunachalam, S, Cem Bahadir, S, Sundar G. Bharadwaj and Rodrigo Guesalaga (2020), New Product Introductions for Low-Income Consumers in Emerging Markets
[4] Journal of the Academy of Marketing Science, Volume.No.48, PP:914-940, https://link.springer.com/article/10.1007/s11747-019-00648-8.
[5] Dhanaraj .V.T (2021), Customers Perception towards the Fast-Moving Consumer Goods and Brand Awareness (A Study with References to Selected Customers in Erode District of Tamilnadu),Proceedings of the International Conference on Business Innovation through Technology Advancement ,https://rathinamcollege.ac.in/wp-content/uploads/2021/02/Dr.-V.T.-Dhanaraj-Customers-Perception-towards-the-Fast-Moving-Consumer-Goods-and-Brand-Awareness.pdf
[6] Eight Trends Shaping India's FMCG Industry, Kanvic, 26th December, 2023, https://www.kanvic.com/insights/8-trends-shaping-fmcg-industry-in-india.
[7] FMCG Sector in India: Key Trends and Economic Drives, India Macroeconomic Indices, 18th March, 2025, https://indiamacroindicators.co.in/resources/blogs/fmcg-sector-in-india-key-trends-and-economic-drivers.
[8] FMCG Industry in India Industry Report, India Brand Equity Foundation, February 2025, https://www.ibef.org/industry/fmcg.
[9] Gaikar Vilas .B, Kanwal Jeet Singh, Rajiv Nayan, Joshi Bharat and Dababrata Chowdhury (2023), A Psychometric Analysis of The Behaviour of Online FMCG Buyers: A Study, International Journal of Membrane Science and Technology, Volume. No.10, Issue.No. 5, PP:491-503.
[10] Sudheer Kumar .M and Varikunta Obulesu (2020),A Study on Innovative Marketing Strategy Towards Fast Movable Consumer Goods (FMCG) Industries in India, Journal of Mechanics and Continua and Mathematical Science, Volume.No.15, Issue.No.8, ISSN:0973-8975 (P),ISSN:2454 -7190 (O), PP: 787-798,August. Technological Advancement, ISBN: 978-81-941015-0-5, PP:1-6,
[11] Vanitha .A(2024), Evaluating the Effectiveness of Marketing Strategies in the FMCG Sector: A Consumer Perception Analysis in India, Library of Progress-Library Science, Information Technology & Computer, Volume.No.44, Issue.No.3, PP:15593, https://openurl.ebsco.com/EPDB%3Agcd%3A5%3A12206229/detailv2?sid=ebsco%3Aplink%3Ascholar&id=ebsco%3Agcd%3A180918623&crl=c&link_origin=scholar.google.com.
[12] Vivek Kourav and Arbuda Sharma (2023), Exploring Success Factors for New Product Selling in Fast-Moving Consumer Goods, Indian Journal of Marketing, Volume.No.53, Issue.No.3, https://indianjournalofcapitalmarkets.com/index.php/ijom/article/view/172653/0.