

Impact of E-tailing on Consumers Buying Behaviour Towards FMCG Products

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Abstract

E-tailing has attained growth due to favorable demographic factors and also lack in the organized retail market being other key factors. In our country, major E-tailing firms are Snap deal, Amazon and Flipkart. There has been immense growth in the opportunities available in online retail market and the main key is that the products ordered by the customers are being delivered on time.

E-tailing provides convenience to the customers. The Indians do not only buy electronic items, clothing or books, they have even started buying FMCG products like soaps, hair oils, packaged foods, shampoos, etc. On one hand, the leading portal of e-commerce portals like Amazon and Flipkart sell personal care, household care products, shampoos and hair oils etc., on the other side e-commerce portal like Grofers and Big basket are providing groceries, packaged food and vegetables at consumer's doorsteps. A sample of 150 respondents belonging to Indore district has been considered for this study. The data has been collected through a structured questionnaire and has been analyzed through descriptive statistics wherein the frequency and percentage has been used. For testing hypothesis, ANOVA has been applied through SPSS 20. There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age and gender.

Keywords – E-tailing, FMCG, ANOVA

1. Introduction

The base of internet users in India has been around 658.0 million as in the month of January 2022. In our country the penetration of e-commerce has been quite low as compared to markets in other countries like United Kingdom and United states. The pace of internet users is increasing at a very fast rate and there are many new entrants who have entered into the e-commerce platform. The online retail platform has evolved and grown in a significant manner during the last few years. Asia Pacific has emerged as fastest growing region towards online retail along with China. E-tailing market in our country represents a small fraction of total retail market, but it holds an immense potential which drives growth in internet penetration, has increased the use of smart phones, there has been huge funding by equity investors and an increase in cost advantages. Cash on delivery has become quite popular mode of payment for buying goods online among working women and it has led to growth in acceptability towards online payments. E-tailing has attained growth due to favorable demographic factors and also lack in the organized retail market being other key factors.

1.1 Meaning of E-tailing

E-tailing refers to selling of retail goods through the internet electronically. E-tailing is a shortened term for "electronic retailing". There are other similar terms which are being used in academics and researches like e-mail, e-commerce and e-business. E-tailing as a term is being used to refer to business to consumer (B2C) transactions. E-tailing has become quite popular now.

Online retailing can be mainly classified into following three categories:

1. **Click** – Businesses which operate only through online channel are considered in this category. Some prominent examples include – Amazon.com, E-bay and Dell.
2. **Click and Brick** – This category includes businesses which use offline and online channel for selling their products.
3. **Brick and Mortar** – This is a conventional mode of retailing. Businesses which are not using latest retail channel and relying upon conventional mode come in this category.

E-tailing provides large amount of information through their websites by providing useful links and allows the customers to compare products which are similar to the ones the

customers are searching on the internet. E-tailing provides convenience to the customers as shopping from office or home has reduced the stress of waiting in line and dealing with sales people who are sometimes bit irritating.

However, there are some problems people face due to E-tailing such as the customers being unable to try the product while they are shopping for clothing or other accessories, but this problem is not associated with FMCG as the brand names are known and they could be ordered by comparing their prices, size and discount which is available on the internet for all the selected FMCG products.

1.2 Fast Moving Consumer Goods

Fast-moving consumer goods (FMCG) are products which are being sold quickly and the cost involved is also quite low. Although the profit from the FMCG products could be small, the accumulated profit from these products will be large as these products are sold in larger quantities. This sector has enjoyed a high growth rate and it is expected to grow even more than 11% each year. The main component of FMCG market includes sale of unpackaged and unbranded products. The main segment of FMCG industry are personal care, food and beverage and household care.

As per the report of FMCG industry in India, during the period from 2016- 2020, FMCG sector has grown many folds and the growth in terms of Compounded Annual Growth Rate (CAGR) is of 21% as per IBEF. This industry is expected to grow and popularity of retail industry would increase in a significant manner.

1.3 FMCG going online

The group of consumers in India is quite similar to consumers globally and they are mainly living in the world of internet. The consumers are trying to find everything on the internet so that they are not required to go anywhere and could place an order from their office or home, placing an order for food from different restaurants, buying clothing, accessories, FMCG products, getting medicines from different medical stores, etc. The Grocery store is also gaining ground and this would continue to work in a dominant format and with time the grocery stores functioning online would gain more importance as a distribution channel.

Online FMCG products are growing in a rapid way. Online shopping has gained the importance in the eyes of not only the Indians, but also the entire world. The Indians do not only buy electronic items, clothing or books, they have even started buying FMCG

products like soaps, hair oils, packaged foods, shampoos, etc. On one hand, the leading e-commerce portals like Amazon and Flipkart sell personal care, household care products, shampoos and hair oils etc., on the other hand e-commerce portal like Grofers and Big basket are providing groceries, packaged food and vegetables at consumer's doorsteps. The consumers are generally quite busy in their daily work and routine and they do not get time to the physical stores to buy the regular items which they need. Through e-tailing of FMCG products, they could easily buy FMCG products of different quality and variety at a discounted price from anywhere in the whole country.

2. Review of Literature

Pandey & Puntambekar (2016) have explained consumer's tendency of buying different shampoo brands. In the current time, every consumer whether male or female is very conscious about the way they look. There are different types of shampoos available and their popularity has increased through advertisements on television. Shampoos which are one segment of FMCG products are being used by people of different ages and many people are buying them online.

Anandrajan (2016) has studied consumer's expectations towards FMCG products in Villupuram district. Data has been collected in this study through face to face interviews with respondents. This study has analyzed socio-economic background of respondents and their satisfaction level. The consumers generally buy products when they find the package to be eye catching.

Bhatnagar & Chowdhary (2019) have mentioned in their study that internet has provided new experience to the consumers for collection of information, making comparison of prices and

e-commerce is considered to be an important aspect that has provided an easy and interesting way of buying products online. There has been growth in e-tailing and this has brought growth for the marketers of the FMCG products also. The purchasing power of consumers has been increasing and they have started preferring buying of FMCG products through different e-commerce websites like Grofers, JioMart, Amazon, Flipkart etc. This study revealed that convenience could be regarded as an important factor which is driving people to buy FMCG goods online.

Daroch B. et al (2020) have aimed to conduct investigation about the way the consumers behave when they are shopping online and for understanding this many factors which limit the behaviour of the consumers have been evaluated. This paper also aimed to find out the problems which are being faced by the consumers while they are shopping online. Research has been conducted through survey and quantitative method among users of shopping sites which are selling their products online. This research studied six factors in all, which restrains consumers to buy online i.e. fear from bank transactions, lack of faith, some of them also feel that traditional shopping is much more convenient as compared to online shopping. This study is found to be beneficial for the e-tailers who are involved in different e-commerce activities.

3. Research Methodology

3.1 Research Objectives

The main objectives of this research are:

- a) To understand the concept of E-tailing
- b) To derive the impact of E-tailing on consumers buying behaviour towards FMCG products
- c) To understand different problems being faced by customers while buying FMCG products online through E-tailing

3.2 Hypothesis of the Study

- H_{01} - There is no significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age
 H_{a1} - There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age
- H_{02} - There is no significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their gender
 H_{a2} - There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their gender

3.3 Sources of Data

a) **Primary Source-** The data in this study has been gathered through the use of a structure questionnaire in which questions have been asked based on their demographic profile,

frequency of using internet, the most frequent e-commerce websites used for buying FMCG products, frequency of buying FMCG products, factors affecting online shopping of FMCG products, impact of e-tailing on buying of FMCG products and also problems being faced by consumers.

b) **Secondary Source-** Data has been collected through secondary source also and various sources which have been referred are websites, books, research papers in Journals, Thesis etc. to have a deeper insight into the topic under study.

3.4 Research Design

The study is descriptive in nature as the characteristics of customers who are buying FMCG products through online mode have been considered and the data has been collected through a structured questionnaire which includes questions based on demographic profile to understand the factors that govern their buying behaviour towards FMCG products and also to find out the problems which the respondents are facing while buying FMCG products online.

3.5 Research Sample

- **Sampling Plan-** The sample considered for this study includes all such customers who are already buying FMCG products online.
- **Sampling Technique-** Convenience sampling technique has been adopted to collect data from the customers who have been buying FMCG products under different categories i.e. food and beverage, household care, personal care, baby products, groceries etc.
- **Target Population-** Target population in this study are the respondents belonging to Indore district.
- **Research Instrument-** The data in this study has been collected through a structured questionnaire which is based on demographic variables of the customers, their frequency of online shopping, the time which they spend on internet, the factors which influence their shopping experience.
- **Sample Size-** A sample of 150 respondents belonging to Indore district has been considered for this study.

3.6 Data Techniques used

In this study, data has been analyzed through descriptive statistics wherein the frequency and percentage has been used. For testing hypothesis, ANOVA has been applied through SPSS 20.

3.7 Limitations of the Study

- This study is based on a sample of 150 respondents and for further studies more sample size could be considered.
- This study is based on Indore district only and it could have covered other districts as well.
- The focus of this study is on FMCG products, though people are shopping other products also online and they could have been considered.

4. Data Analysis

4.1 Demographic Variables

(a) Gender of the Respondents

Gender	No. of Respondents	%
Male	87	58
Female	63	42
Total	150	100

Majority respondents in this study are males i.e. 58% and remaining are females i.e. 42%. The response towards e-tailing of FMCG products has been considered where the response of the male and female respondents is different; hence this study is not focused on only a single gender. Requirement of FMCG products is different and the vendors who are selling these products provide a range of products. Some feel like buying online and some prefer to buy them from the local stores.

(b) Age of the Respondents

Age	No. of Respondents	%
Below 30 years	82	54.7
31 - 40 years	36	24.0
41 - 50 years	13	8.7
51 - 60 years	14	9.3
Above 60 years	5	3.3
Total	150	100

In this study, the respondents of different ages have been considered. Majority respondents are below the age of 30 years(54.7%), followed by 31 – 40 years (24%), then 51 – 60 years (9.3%), then 41 – 50 years (8.7%) and above 60 years are 3.3%. Generally, the females of the house buy groceries, home care products or other household items online. The FMCG products could be now bought through net banking, debit card, credit card or even cash on delivery. The respondents who are not much aware about making payment online, would prefer to pay cash on delivery. FMCG products are now being bought online and e-tailing in this sector has actually changed the buying habits of the respondents.

(c) Occupation of the Respondents

Occupation	No. of Respondents	%
Student	23	15.3
Employed	87	58.0
Business	35	23.3
Retired	5	3.3
Total	150	100

In this study, majority respondents are employed i.e. 58%, followed by those having own business i.e. 23.3%, followed by students i.e. 15.3% and remaining 3.3% are retired. In current scenario, respondents of different occupations are buying FMCG products online. E-tailing in this segment has made it very easy to order online through Grofers, JioMart,

Amazon, Flipkart etc. There are some FMCG products which might be bought online by any one of the family members but is used by many of them. The food items like flour, pulses, beverages, frozen items etc. are ordered online whenever needed and they are being used by all the family members. The responsibility of buying these goods is mainly of the parents, though they consider the requirements of all the members.

(d) Income (per month) of the Respondents

Income (per month)	No. of Respondents	%
Less than Rs. 20000	17	11.3
Rs. 20001 – 40000	42	28.0
Rs. 40001 – 60000	63	42.0
Above Rs. 60000	28	18.7
Total	150	100

The respondents' income (per month) has been considered in four categories. Majority respondents are having their monthly income between Rs. 40001 to 60000 i.e. 42%, followed by Rs. 20001 – 40000 i.e. 28%, then above Rs. 60000 i.e. 18.7% and remaining 11.3% respondents are having their monthly income less than Rs. 20000. The income of the respondents varies and this also impacts their buying of FMCG products online. Those respondents having high income may not feel much about the discount which they are getting while buying FMCG products online, rather they would consider the comfort which they get while buying and even the quality of the FMCG products.

4.2 Effect of E-tailing on Buying of FMCG Products

(a) No. of Hours Spent on Internet Per Week

No. of Hours Spent on Internet Per Week	No. of Respondents	%
Less than 4 hours	37	24.7
4 - 8 hours	46	30.7
8 - 12 hours	35	23.3
More than 12 hours	32	21.3
Total	150	100

Majority respondents spend 4 – 8 hours on internet per week i.e. 30.7%, followed by less than 4 hours i.e. 24.7%, 8 – 12 hours i.e. 23.3% and 21.3% are spending more than 12 hours. Internet provides information on many new topics and nowadays people are shopping online through different e-commerce websites. Shopping of clothes, accessories and other items is being commonly practiced by many people. During Covid-19, people have started buying groceries, food items, household items also through different e-commerce websites like JioMart, Flipkart, Big basket etc. It has become easy now for people to place an order online for FMCG products as it saves a lot of time and money.

(b) No. of Times FMCG Products Are Shopped Online Per Week

No. of Times Shopped Online Per Week	No. of Respondents	%
Once	129	86.0
2 - 6 times	17	11.3
7 - 12 times	4	2.7
More than 12 times	0	0.0
Total	150	100

Majority respondents shop once a week online i.e. 86%, followed by 2 – 6 times online in a week i.e. 11.3%, followed by 7 – 12 times i.e. 2.7%. There is no such respondent who buys more than 12 times. FMCG products are generally being shopped once in a week by maximum respondents as they are able to make a list of items required for a week and then prefer to place an order. The frequency of placing an order depends upon the time which the concerned person is spending before placing such order. There is a possibility that the products which are being order are very random in nature and the person ordering has not consulted the other family members. When orders are being given for FMCG products online, they should try to club the orderas sometimes they can get a reasonable discount on goods when ordered together.

(c) E-Commerce Sites Being Preferred by Customers

E-Commerce Sites Being Preferred by Customers	No. of Respondents	%
JioMart	42	28.0
Big Basket	36	24.0
Flipkart	19	12.7
Amazon	18	12.0
Grofers	35	23.3
Others	0	0.0
Total	150	100

Majority respondents prefer to buy FMCG products from JioMart i.e. 28%, followed by Big Basket i.e. 24%, Grofers i.e. 23.3%, followed by Flipkart i.e. 12.7%, then Amazon i.e. 12%. There are different E-commerce websites which are providing FMCG products online and the respondents are buying many of these products online through them. E-tailing in the FMCG segment is quite useful and the respondents are trying to benefit from them. There is no need for the respondents to go to the traditional stores and buy groceries. It is important that the FMCG products which are bought online should be bought in bulk so as to avail discount at the same time.

(d) Product Category Preferred by Customers

Product Category Preferred by Customers	No. of Respondents	%
Grocery	47	31.3
Snacks & Packaged Food	27	18.0
Beverages	9	6.0
Rice, Pulses and Wheat Flour	17	11.3
Personal Care	24	16.0
Household Care	26	17.3
Others	0	0.0
Total	150	100

Majority respondents have preferred to buy grocery online i.e. 31.3%, followed by snacks and packaged food i.e. 18%, household care i.e. 17.3%, personal care i.e. 16%, rice, pulses

and wheat flour i.e. 11.3% and remaining 6% prefer to buy beverages online. Grocery is the daily use item and they are often bought regularly so that the respondents get a good discount. They need not go to the nearby shops for buying such items. There are variety of snacks which are available through the e-commerce websites and such a variety is not generally available in the physical stores. Pulses are not preferred much by the respondents as they prefer to check them before purchasing by going to the stores themselves.

(e) Impact of E-tailing on Consumer's Shopping Behaviour Towards FMCG Products

Factors	SA	A	N	D	SD	Total
Variety in FMCG Products	34	72	5	14	25	150
Different Modes of Payment	87	43	3	8	9	150
More Discount	78	41	6	17	8	150
Lower Prices	45	79	4	19	3	150
Easy Buying Process	69	35	9	21	16	150

There are different factors which govern the consumer's buying behaviour based on e-tailing of the FMCG products. The respondents have indicated their level of agreement towards these factors on the basis of 5 point Likert Scale i.e. Strongly Agree to Strongly Disagree. Majority respondents have indicated Agree as a response towards "Variety in FMCG Products", Strongly Agree towards "Different Modes of Payment", Strongly Agree towards "More Discount", Agree towards "Lower Prices" and Strongly Agree towards "Easy Buying Process". Majority respondents have indicated strongly agree or agree as a response towards the factors mentioned above, and this indicated that respondents who have been buying FMCG products online are happy about the variety of FMCG products available like groceries, home care, personal care and other items. The payment for buying the FMCG products also varies i.e. through net banking, debit card, credit card or even cash on delivery. It has made it easy for the respondents to buy FMCG products online and respondents can make payment as per their convenience. The buying process is also very easy and the FMCG products which are available through different e-commerce websites are available at a discount through different websites like Grofers, JioMart, Amazon and others.

(f) Problems in Online Shopping of FMCG Products

Problems in Online Shopping	No. of Respondents	%
No Faith in Paying Online	15	10.0
Traditional Shopping is Convenient	34	22.7
Service Provided and Reputation	21	14.0
Insufficient Product Information	23	15.3
Insecurity	21	14.0
Lack of Trust	27	18.0
Bad Experience	9	6.0
Total	150	100

Majority respondents felt that traditional shopping is more convenient i.e. 22.7%, followed by lack of trust i.e. 18%, then Insufficient product information i.e. 15.3%, followed by service provided and reputation and insecurity i.e. 14%, No faith in paying online i.e. 10% and 6% respondents feel that online shopping of FMCG products has been a bad experience for them. There are sometimes problems while shopping. The respondents should make an attempt that whenever they face any problem, they should try to solve their queries or issues and should not keep on thinking about it for a long time. There is an availability of Grievance Redressal cell and the respondents should try to inform through the email id of the concerned person dealing in grievance cell or should make an attempt to find a solution by calling at the customer service cell as this will make them solve their problem and they will be able to continue with online shopping.

4.3 Hypothesis Testing

H₀₁ - There is no significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age

H_{a1} - There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age

ANOVA has been applied to understand whether there has been a difference in the impact of E-tailing consumer's shopping behaviour towards FMCG products based on their age.

In this study, the respondents of different ages have been considered, i.e. below the age of 30 years, 31 – 40 years, 51 – 60 years, 41 – 50 years and above 60 years. Generally, the females of the house buy groceries, home care products or any household items online. Based on their response towards different factors which influence the online shopping behaviour of FMCG products among the selected respondents, the difference has been estimated through the application of ANOVA through SPSS 20.

ANOVA

Impact

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.054	4	.763	.417	.016
Within Groups	265.486	145	1.831		
Total	268.540	149			

The significant value in the table mentioned above i.e. 0.016 is less than 0.05 (at 5% level of significance) and this indicates that the null hypothesis has been rejected i.e. H_{01} - There is no significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age and the alternate hypothesis has been accepted i.e. H_{a1} - There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their age. The FMCG products could be now bought through net banking, debit card, credit card or even cash on delivery. The respondents who are not much aware about making payment online, would prefer to pay cash on delivery. FMCG products are now being bought online and e-tailing in this sector has actually changed the buying habits of the respondents.

H_{02} - There is no significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their gender

H_{a2} - There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their gender

ANOVA has been applied to understand whether there has been a difference in the impact of E-tailing consumer's shopping behaviour towards FMCG products based on their gender. In this study, the respondents of different genders have been considered where majority respondents in this study are males and remaining are females. The response of the males and females is different; hence this study is not focused on any single gender i.e. males or females. Requirement of FMCG products is different and the vendors who are selling these products provide a range of products. Some feel like buying online and some prefer to buy them from the local stores.

ANOVA

Impact

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.142	1	1.142	.632	.028
Within Groups	267.398	148	1.807		
Total	268.540	149			

The significant value in the table mentioned above i.e. 0.028 is less than 0.05 (at 5% level of significance) and this indicates that the null hypothesis has been rejected i.e. H_{02} - There is no significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their gender and the alternate hypothesis has been accepted i.e. H_{a2} - There is a significant difference in the impact of E-tailing on consumer's shopping behaviour towards FMCG products based on their gender.

5. Findings of the Study

- The response of the males and females is different, hence this study is not focused on only a single gender, majority respondents are males.
- Majority respondents are below the age of 30 years and there are very few respondents above the age of 60 years who prefer online shopping of FMCG products.

- The responsibility of buying these goods is mainly of the parents, though they consider the requirements of all the members.
- Those respondents having high income may not worry much about the discount they are getting while buying of FMCG products online.
- It has now become easy for people to place an order online for FMCG products as it saves a lot of time and money.
- The frequency of placing an order depends upon the time which the concerned person is spending before placing such order.
- E-tailing in the FMCG segment is quite useful and the respondents are trying to benefit from them.
- There are variety of snacks which are available through the e-commerce websites and such a variety is not generally available in the physical stores.
- The payment for buying the FMCG products also varies i.e. through net banking, debit card, credit card or even cash on delivery.

6. Suggestions

- FMCG products which are being order should be the same which are delivered by the FMCG company
- The females of the house buy groceries, home care products or any household items online, so they should consider the actual price at which the goods are being sold in physical stores.
- The FMCG products can now be bought through net banking, debit card, credit card or even cash on delivery, respondents should be alert while placing an order.
- The responsibility of buying these goods is mainly of the parents, they should consider the requirements of all the members.
- It has become easy now for people to place an order online for FMCG products as it saves a lot of time and money, respondents should try to use this method.
- When orders are being given for FMCG products online, they should try that order is clubbed as sometimes they can get a reasonable discount on goods when ordered together.

7. Conclusion

In our country, major E-tailing firms are Snap deal, Amazon and Flipkart. They have adopted a model which is based on asset light and this has helped them in moving away from inventory base towards marketplace. Venture Capital Firms and Private Equity Players have kept a lot of faith in growth of e-tailing in our country and this is evident from the funding received by Flipkart, which has been 8 times in seven years. However, there has been immense growth in the opportunities available in online retail market and the main key is that the products ordered by the customers are being delivered in time. Internet provides information on many new topics and nowadays people are shopping online through different e-commerce websites. Shopping of clothes, accessories and other items have been commonly practiced by many people. During Covid-19, people have started buying groceries, food items, household items also through different e-commerce websites like JioMart, Flipkart, Big basket etc. It has become easy now for people to place an order online for FMCG products as it saves a lot of time and money.

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