



## **Opportunities and Challenges of Impact of E-Commerce on Consumer Behavior in Indore District (With Reference to Marketing of Selected Fast Moving Consumer Goods)**

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### **Abstract**

Consumer behavior has changed dramatically in the past decade. Today, consumers can order online many customized products ranging from sneakers to computers. Studying Customers provides clues for developing new products, product features, prices, channels, messages, and other marketing-mix elements. E-Commerce has changed the way business is done with the success of e-commerce ventures like FlipKart, Amazon, and the online selling of fast moving consumer goods carried on by Hindustan Unilever, Dabur India Ltd., Nestle India, Godrej Consumer Products Ltd. Nielsen sees e-commerce's contribution to sales growing on the back of growing smartphone penetration, increased data consumption, and efforts by large companies to make their products available online. The increasing popularity of Social Networking Sites (SNS) has provided new opportunity for marketers to create awareness about their brands

### **Introduction**

Philip Kotler defines marketing management as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value.

Consumer behavior has changed dramatically in the past decade. Today, consumers can order online many customized products ranging from sneakers to computers. Students choosing a university no longer rely on information from mailed catalogs, instead, they have online access to all the pertinent information about the universities courses and professors and, in some cases, can visit, virtually actual classes.

The term consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchases, and how they dispose of it. Studying Customers provides clues for developing new products, product features, prices, channels, messages, and other marketing-mix elements.

**E-business** describes the use of electronic means and platforms to conduct a company's business. **E-commerce** means that the company or site offers to transact or facilitate the selling of products and



services online. **E-purchasing** means companies decide to purchase goods, services, and information from various online suppliers. Smart e-purchasing has already saved companies millions of dollars. **E-marketing** describes company efforts to inform buyers, communicate, promote, and sell its products and services over the internet.

### **E-commerce in marketing of Fast Moving Consumer Goods in India**

- E-Commerce has changed the way business is done with the success of e-commerce ventures like FlipKart, Amazon, and the online selling of fast moving consumer goods carried on by Hindustan Unilever, Dabur India Ltd., Nestle India, Godrej Consumer Products Ltd.
- Nielsen sees e-commerce's contribution to sales growing on the back of growing smartphone penetration, increased data consumption, and efforts by large companies to make their products available online.
- India's largest consumer goods companies saw Covid 19 led disruptions significantly boosting online sales in India and for several e-commerce sales and contribution to overall business have doubled. This is true for top deck companies like Hindustan Unilever, ITC, Parle Products, LG, Vivo and Godrej.
- Amazon and Flipkart account for more than 60 percent of the Indian e-commerce market. For long a duopoly, there is now increasing competition from new entrants like Meesho, Nykaa, etc, and Indian giants like the Tata group and Reliance group who are slowly increasing their presence in e-commerce.
- India's FMCG trade is still dominated by millions of traditional mom-and-pop stores, despite the latest surge in online retail. Online sales have a minuscule 3% share, market researcher Nielsen said in a September report. The share is, however, more in metros.

### **Review of Literature**

With the liberalization and growth of the Indian economy since the early 1990's , the Indian customer witnessed an ever increasing exposure to new domestic and foreign products through different media such as television and the internet. The tech-enabled world is small but growing fast. The market change in consumer attitudes towards buying on the Internet has been largely catalyzed by the low cost transactions over the Internet. On the Internet, product information is just a few clicks away. The need to re-invent the market place by offering more options for the buyers to have a wide market experience without actually going through the pollution, dust and grime, the ever present coaxing seller who leads forcefully to buy one or the other item without giving a breather. For users who lack time and opportunity to visit a physical store and for those who live in cities, where traffic is a nightmare and parking a problem e-tailing is the trump card. While the number of sellers is expanding, it has a proportional effect on the buyers too, with the present generation being net savvy, e-commerce comes as a boon to the time starved people. The three most prominent and characterizing qualities that define the success stories of B2C sites are adoption of multiple modes of payments, various online items for sale and a very strong focus on customer service and delivery. A proven strategy for e-Tailing to be really successful in India is a double channel strategy, where an online presence co-exists with a strong offline support channel. So it is brick and click based business models that re-instill the best, as proven by the global trend in the apparel and grocery segments. (Nazia Sultana, 2008).



The increasing popularity of Social Networking Sites (SNS) has provided new opportunity for marketers to create awareness about their brands. SNS such as Facebook has 600 million users worldwide and Orkut has more than 100 million. The micro-blogging site Twitter, crossed 10 billion tweets recently. The numbers add up to dizzying figures. SNS and sites like Twitter can help marketers to better position their brands among the target consumers. With millions of users on various SNS, it is difficult for marketers to ignore the power of SNS as a potential tool to promote and position brands among the target consumers. What is unique about social media is that it gives consumers opportunities to share their views with one another. Social media tends to be more credible because people believe what their friends say more than what traditional media tells them, as there is no company agenda. **(Pradhumn Kumar, 2011)**

Over the past few years, e-marketing has evolved as one of the most efficient tools for brand building and promotions. Looking at the growth of Internet technology, many companies have taken the route of e-marketing for creating awareness about their brands amongst online customers. However, though the companies create a lot of online positive branding, there can at the same time be negative word of mouth by competitors and problematic customers as well. Online Reputation Management assists a company in pushing the negative publicity down the search engines and influencing potential customers through positive promotional efforts. ORM is a budding concept in the world of e-marketing today, which helps in responding to this problem. Many organizations are now implementing this concept to maintain their brand image online and to minimize the impact of negative word of mouth. Although this concept is still in a nascent stage, but looking at its popularity, the future looks bright and promising. **(Priyank Azad, 2011)**

### **Research Methodology**

#### **Objectives of the Study**

1. To study the FMCG product consumption pattern of consumers with respect to e-commerce and retail product consumption pattern.
2. To identify the buying motives of consumers with respect to product, price, place and promotion mix
3. To assess and compare overall buying practice of consumers.
4. To study the spending pattern of consumers
5. To find out the brand preference of consumers.

#### **Research Design**

The study is based on both primary and secondary data of qualitative and quantitative in nature. The secondary data was collected from the e-resources available on various media websites. While the primary data was collected from Indore district by creating an online survey form on Google drive and collecting the response of respondents through various messaging applications.

#### **Sampling unit:**

Who is to be surveyed? The marketing researcher must define the target population that will be sampled. In the proposed research on study of consumption pattern sampling unit will consist of households of



Indore representing cross section of the population including service class, professionals, daily wage earners, farmers, house wives and students.

**Sample size:**

How many people should be surveyed? Sample size will consist of 100 households of Indore, from the tehsils and towns of Indore District.

**Sampling procedure:**

How should the respondents be chosen? Researcher has used convenience sampling and quota sampling to obtain a representative sample.

**Contact methods:** Telephone interview and online interview, Google form was used as contact methods.

**Respondents Profile**

**Table 1 Profile of Sample Respondents**

Sr. No	Consumer Profile	Particular	Frequency	Percentage
1	Gender	Male	73	73
		Female	27	27
2	Age	11-20	14	14
		21-30	52	52
		31-40	22	22
		41-50	7	7
		51-60	3	3
		61-70	1	1
		71-80	1	1
3.	Occupation	Profession	9	9
		Student	34	34
		Service	31	31
		Business	15	15
		Housewife	8	8
		Others	3	3
4.	Monthly Income	Less than Rs. 10000 or Rs.10000	18	18
		Rs. 10001-20000	23	23
		Rs. 20001-30000	14	14
		Rs. 30001-40000	21	21
		Rs. 40001-50000	9	9
		Rs. 50001-60000	3	3
		Rs. 60001-70000	2	2
		Rs. 70001-80000	4	4
		Rs. 80001-90000	2	2
		Rs. 90001-100000	3	3
	Above Rs. 100000	1	1	



**Findings of the Study**

**Table 2**

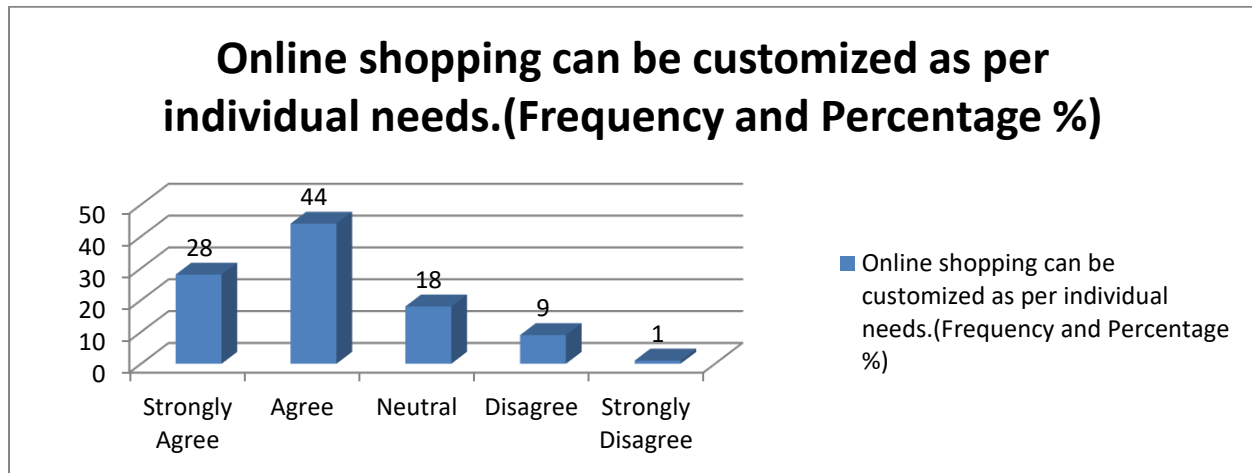
Sr.No.		Online shopping offers freedom of choice in selecting from variety of products. (Frequency and Percentage %)
1	Strongly Agree	34
2	Agree	40
3	Neutral	17
4	Disagree	7
5	Strongly Disagree	2



Majority of the respondents agree that online shopping offers freedom of choice in selecting from variety of products.

**Table 3**

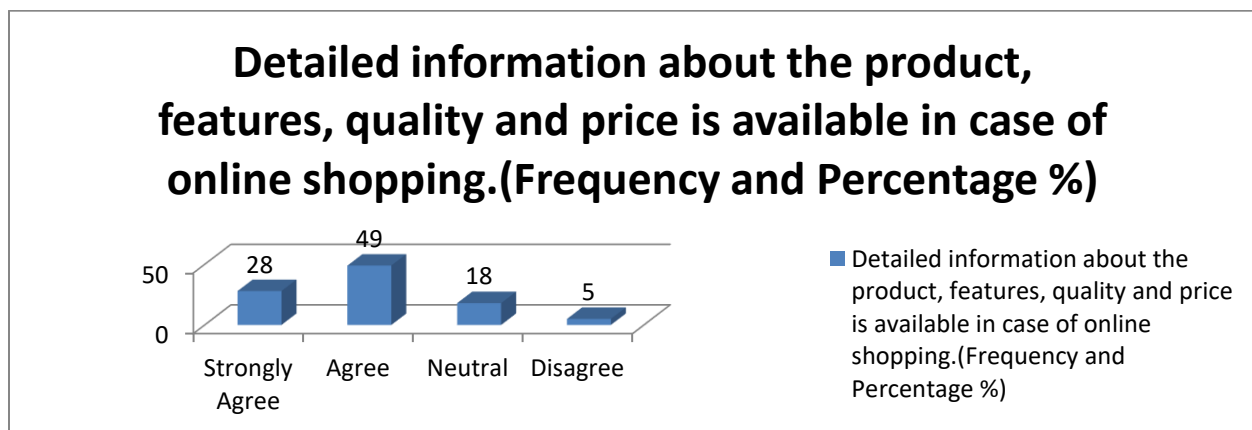
Sr.No.		Online shopping can be customized as per individual needs.(Frequency and Percentage %)
1	Strongly Agree	28
2	Agree	44
3	Neutral	18
4	Disagree	9
5	Strongly Disagree	1



Majority of the respondents agree that online shopping can be customized as per individual needs.

**Table 4**

Sr.No.		Detailed information about the product, features, quality and price is available in case of online shopping.(Frequency and Percentage %)
1	Strongly Agree	28
2	Agree	49
3	Neutral	18
4	Disagree	5

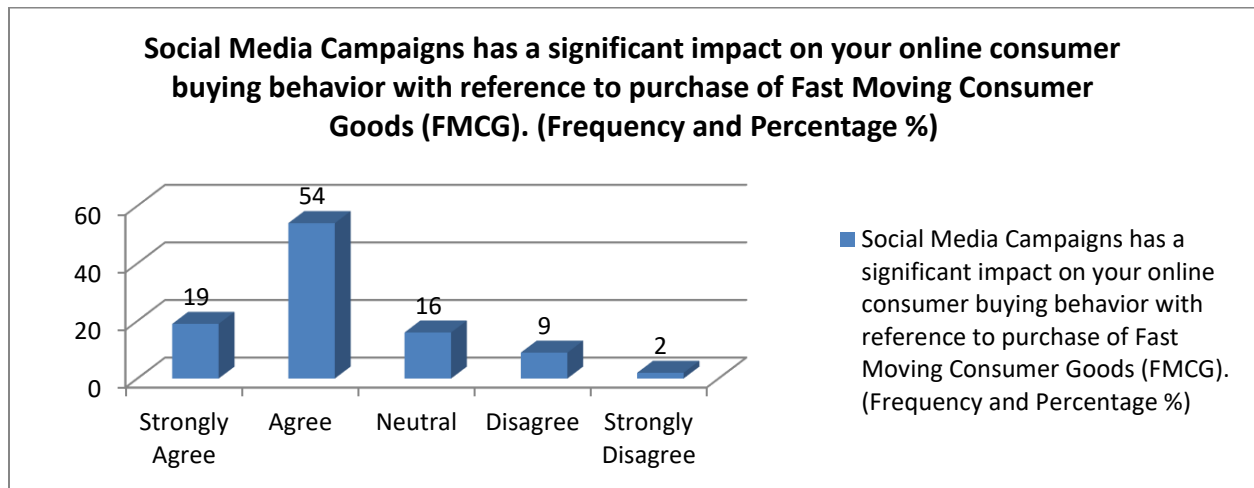


Majority of the respondents agree that detailed information about the product features, quality and price is available in case of online shopping.



**Table 5**

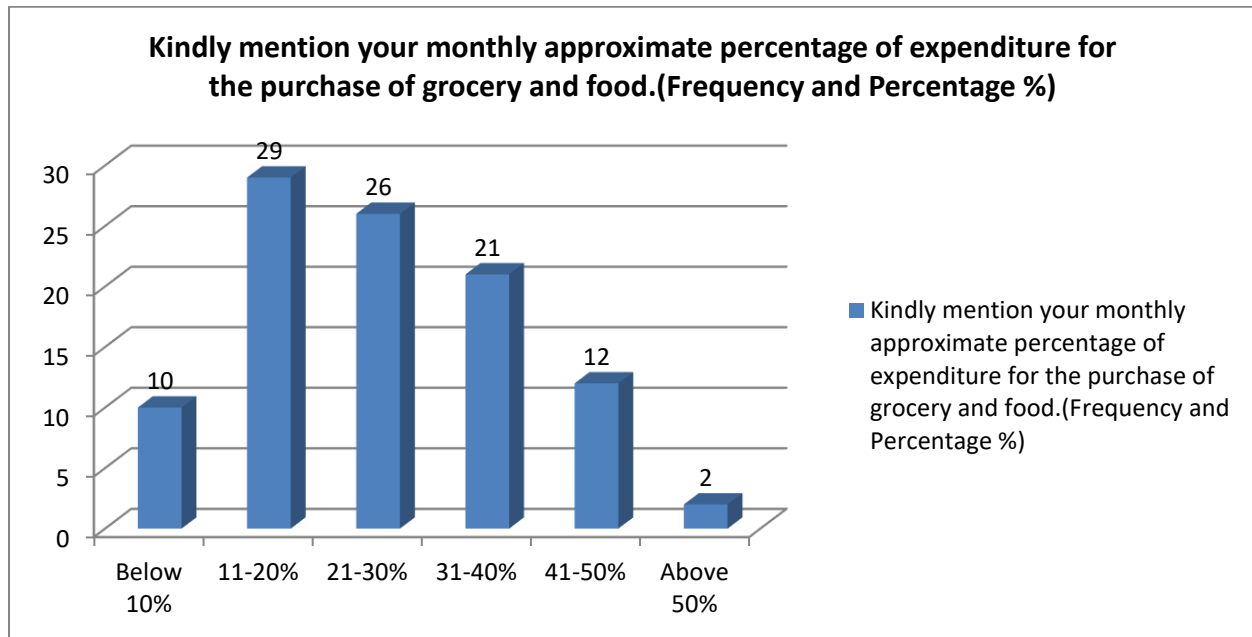
Sr.No.		Social Media Campaigns has a significant impact on your online consumer buying behavior with reference to purchase of Fast Moving Consumer Goods (FMCG). (Frequency and Percentage %)
1	Strongly Agree	19
2	Agree	54
3	Neutral	16
4	Disagree	9
5	Strongly Disagree	2



Majority of the sample respondents agree that social media campaigns have a significant impact on their online consumer buying behavior with reference to purchase of fast moving consumer goods.

**Table 6**

Sr.No.		Kindly mention your monthly approximate percentage of expenditure for the purchase of grocery and food.(Frequency and Percentage %)
1	Below 10%	10
2	11-20%	29
3	21-30%	26
4	31-40%	21
5	41-50%	12
6	Above 50%	2



Majority of the sample respondents mentioned that their monthly approximate percentage of expenditure for the purchase of grocery and food is 11-20%.

### Conclusion

Majority of the respondents agree that online shopping offers freedom of choice in selecting from variety of products. Majority of the respondents agree that online shopping can be customized as per individual needs. Majority of the respondents agree that detailed information about the product features, quality and price is available in case of online shopping. Majority of the sample respondents agree that social media campaigns have a significant impact on their online consumer buying behavior with reference to purchase of fast moving consumer goods. Majority of the sample respondents mentioned that their monthly approximate percentage of expenditure for the purchase of grocery and food is 11-20%.

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