

Effect of Low Price on Respondents While Purchasing FMCG Products: An Empirical Study

Amrinder Singh, Simran Jewandah and Amandeep Singh

Abstract--- *A large portion of the organizations falls in the value trap as they feel it is the most effortless technique for the division. It is difficult to get this right. Numerous effective organizations contend on cost since that is the simplest alternative or if nothing else, the one that takes the least reasoning. There is an expanding pattern for organizations to build up the enormous box experience that is modest in value, low on administration and low on separation. Be that as it may, what number of items can be named where the least expensive model in the market head? As opposed to going down that way, the organizations have recognized that contending on cost alone is not, at this point feasible. This exploration paper attempts to feature the impact of low cost on the respondents, regardless of whether the item is being bought as a result of low cost or not.*

Keywords--- *Low Price, Purchasing, Consumer Behaviour.*

I. INTRODUCTION

In the 21st century, the survivors will be those organizations that will contend on cost, broaden into developing regions and will portion and separate its offer, correspondence and conveyance. Numerous effective organizations contend on cost since that is the most straightforward alternative or if nothing else, the one that takes the least reasoning. There is an expanding pattern for organizations to build up the huge box experience that is modest in value, low on administration and low on separation. The greater part of the organizations falls in the value trap as they feel it is the most effortless strategy for the division. Be that as it may, there is no compelling reason to fall into the value/expansion trap on the off chance that they truly would prefer not to. Any organization, regardless of how little and regardless of which field it is in, can decide to centre client needs in a picked market and section it. It is difficult to get this right. It takes a great deal of work – and typically speculation. What's more, basically, it expects organizations to purchase into the better approach for getting things done. Yet, what a number of items can be named where the least expensive model is the market chief? As opposed to going down that way, the organizations have recognized that contending on cost alone is not, at this point practical.

II. REVIEW OF LITERATURE

Leo Lingham (2008) Describes a market segment is a subgroup of people or affiliations sharing in any event one ascribes that cause them to have near thing needs. Market division is the strategy in displaying of isolating a market into unquestionable subsets (areas) that continue correspondingly or have relative needs. Since each section is truly homogeneous in their prerequisites and points of view, they are most likely going to respond correspondingly to a given advancing strategy. That is, they are likely going to have relative feelings and considerations in regards to an

Amrinder Singh, CGC Technical Campus, Jhanjeri, Punjab, India.

Simran Jewandah, Chandigarh Business School, Chandigarh University, Punjab, India.

Amandeep Singh, Chitkara Business School, Chitkara University, Punjab, India.

exhibiting mix incorporated a given thing or organization, sold at a given expense, passed on in view of a specific objective and progressed in view of a particular object

Charlie Nelson (2002) researched that segmentation is significant in light of the fact that business sectors are getting progressively different and it is uncommon for mass advertising to be a productive procedure. Market division empowers progressively exact and successful correspondence of advantages comparable to needs. It assists with distinguishing development openings."

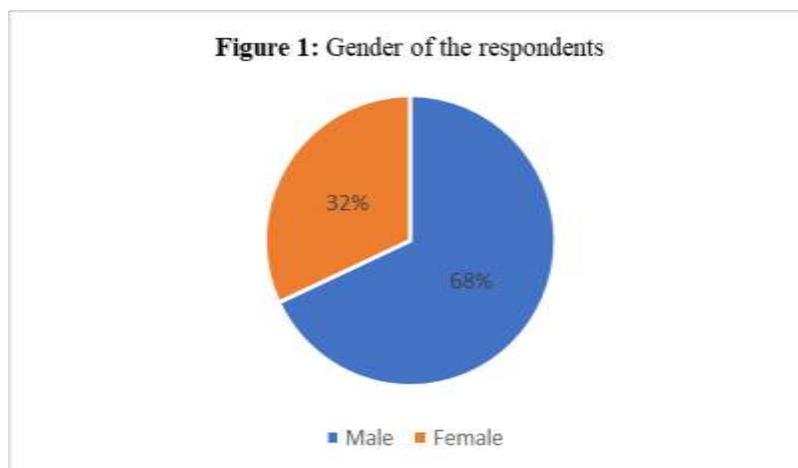
Michael Richarme (2007) VP at Dallas-Fort Worth based Decision Analyst Inc in his article, "Business Segmentation: Emerging Approaches to More Meaningful Clusters cited that", Consumer assessment look into has an entrenched reputation, extending in the course of the last five or six decades. Directing supposition investigate among organizations, in any case, is considerably riskier. This is especially obvious at the least difficult degree of investigation, client division. Nonetheless, division methods are developing and procedures that were basic practice in the ongoing past are quickly being displaced by more up to date, increasingly significant division strategies. The basic reason for division is to separate clients into unmistakable gatherings, with the end goal that promoting messages can be custom fitted to their particular needs. There are some broad criteria for the foundation of these particular gatherings. The gatherings of clients, or fragments, should share a bigger number of shared characteristics inside each gathering than there are between gatherings. The sections ought to likewise be enormous enough for associations to mount financially savvy crusades, and ought to be reachable through most media roads.

1. **Objective of the study:** The basic underlying objective was to study whether the customers are purchasing a particular FMCG product because it is low price.
2. **Research Methodology:** Descriptive research design is used to carry out the research. 500 customers of soap were selected as respondents who were selected from the various parts of Punjab by using a well-structured questionnaire.

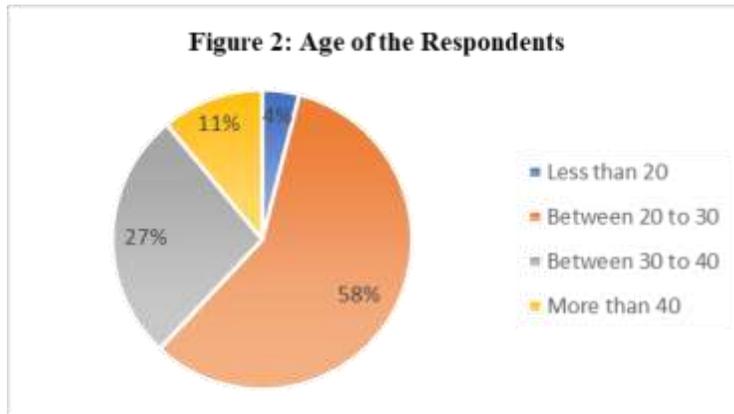
The following hypothesis was proposed:

H₀: There is no association between low price and purchase behaviour.

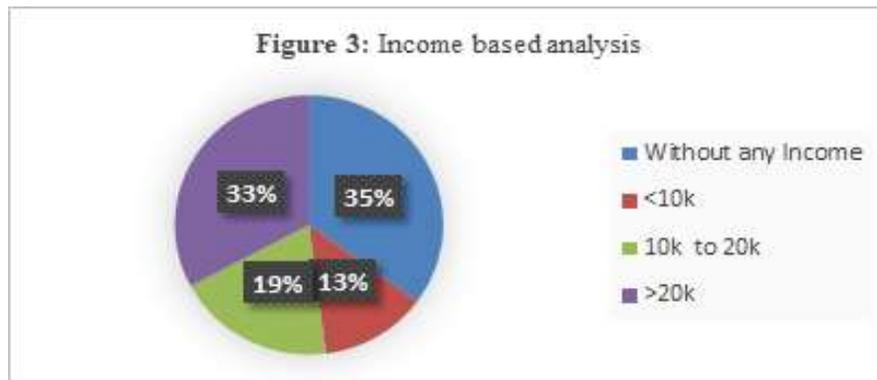
III. DEMOGRAPHICAL ANALYSIS OF THE RESPONDENTS



It was discovered that respondents 68% were male whereas just 32% were female. (Figure 1)



Most of the respondents (58%) were in the age between 20 to 30, 27% were the respondents in the age between of 30 to 40, 11% respondents were more than 40 and close to 4% were underneath 20 years.



35% respondents were not having any salary as the vast majority of them were the understudies and some of them were searching for work, whereas 13% respondent were procuring not as much as Rs 10000 every month, 19% were having income range from Rs 10000 to Rs 20000 and countless the respondents(33%) were acquiring more than Rs 20000 every month. That shows the high level of pay imbalance between respondents. (Figure 3)

IV. ANALYSIS BASED ON PRICE

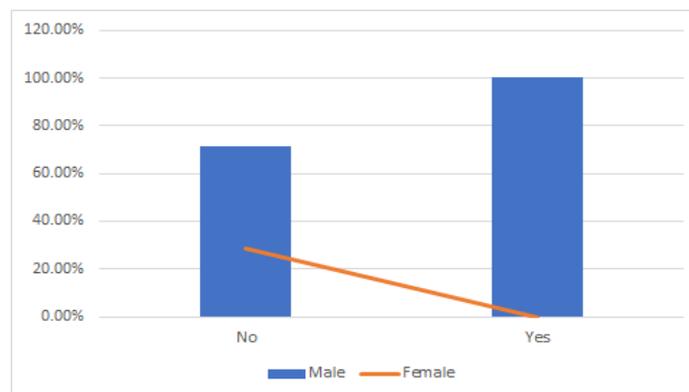


Figure 4: Product is purchased because of low price (Analysis based on Gender)

75.2% respondents (that incorporate 71.6% males and all the females) have not bought the item since it was having low cost. Chi-square.000 has indicated that there was a huge connection to the information. **Hence H_0 is rejected.**

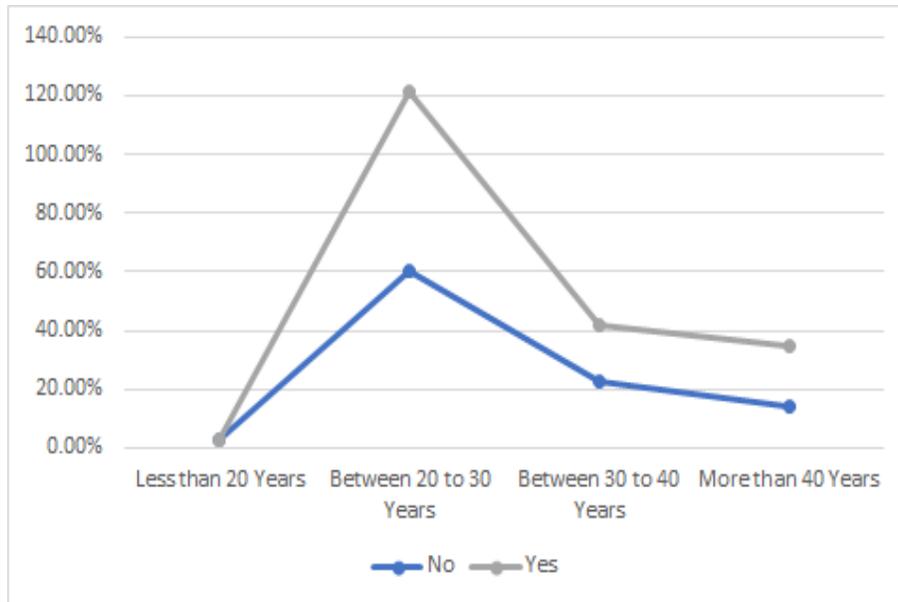


Figure 5: Product is purchased because of low price (Analysis based on Age)

62.6% respondents (that incorporate all the respondents under 20 years old, 60% of the respondents between 20 to 30 years old, 22.2% of the respondents between 30 to 40 and 15% of the respondents over 40 years old) have not bought the item since it was low cost. Chi-square.000 shows that the information was essentially related. **Hence H_0 is rejected.**

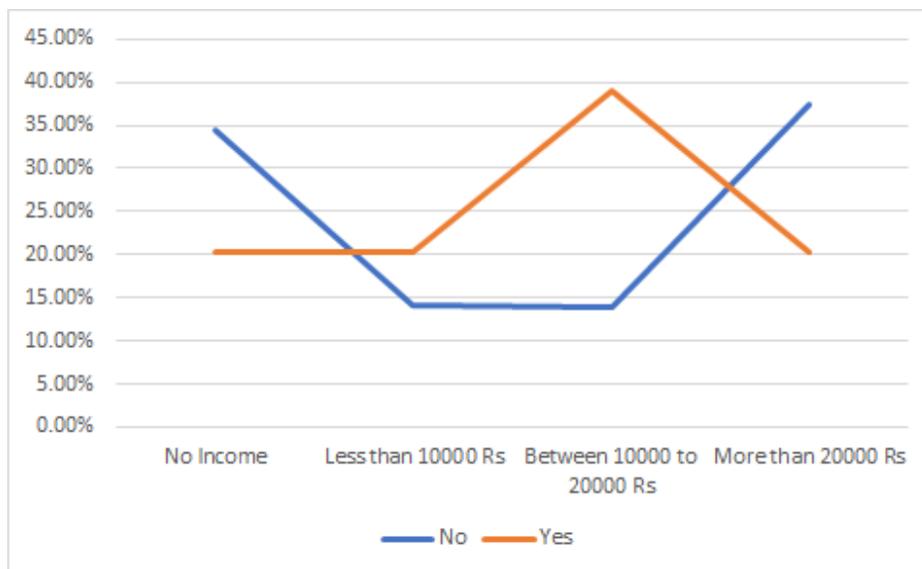


Figure 6: Product is purchased because of low price (Analysis based on Income)

34.4% of the respondents with no pay, 14.20% of the respondents whose salary was under 10000 Rs, 14 % of the respondents procuring between 10000 to 20000 Rs and 37.4% of the respondents with pay more than 20000 have not bought the item since it was low cost. Chi-square.000 has demonstrated that the information was altogether related. **Hence H_0 is rejected**

Table 1: Summary of Hypothesis

S. No.	Demographical Factor	Hypothesis
1.	Gender	Rejected H_0
2.	Age	Rejected H_0
3.	Education	Rejected H_0
4.	Income	Rejected H_0

V. CONCLUSION

A large portion of the organizations falls in the value trap as they feel it is the most effortless technique for the division. It is difficult to get this right. Numerous effective organizations contend on cost since that is the simplest alternative or if nothing else, the one that takes the least reasoning. There is an expanding pattern for organizations to build up the enormous box experience that is modest in value, low on administration and low on separation. Be that as it may, what number of items can be named where the least expensive model in the market head? As opposed to going down that way, the organizations have recognized that contending on cost alone is not, at this point feasible. This exploration paper attempts to feature the impact of low cost on the respondents, regardless of whether the item is being bought as a result of low cost or not. On the above findings it can be concluded that respondents are not purchasing the product because it is low in price; there are certain other factors behind the purchase of a particular product. So, price of a product is not only the decisive factor while purchasing a product.

REFERENCES

- [1] Bhatt, Shahir and Amola Bhatt (2012), "Factors Influencing Online Shopping: An Empirical Study in Ahmedabad", *IUP Journal of Marketing Management*, Volume 11, Issue 4, Pp 51-65.
- [2] Chen, Yu-Hui and Stuart Barnes (2007), "Initial trust and online buyer behaviour", *Industrial Management & Data Systems*, Vol. 107, Issue 1, Pp. 21–36.
- [3] Cronbach, L. J. (1951), "Coefficient alpha and the internal structure of tests", *Psychometrika*, Volume 6, Issue 3, Pp 297-330.
- [4] Hooda, Sanjay and Sanjeev Aggarwal (2012), "Consumer Behaviour Towards E-marketing: A Study of Jaipur Consumers", *Researchers World – Journal of Arts, Science and Commerce*, Volume III, Issue 2(2), Pp 107-118.
- [5] Kanwal, Gurleen (2012), "Consumer's Perception Towards Online Shopping- The Case of Punjab", *International Journal of Management & Information Technology*, Volume 1, Issue 1, Pp 1-6.
- [6] Koo, D.M., Kim, J.J. and Lee, S.W., (2008), "Personal Values As Underlying Motives of Shopping Online", *Asia Pacific Journal of Marketing and Logistics*, Volume 20(2), Pp. 156-173.
- [7] Lalitha Ramakrishnan (2005), "Rural Marketing", *Pearson Education Pte. Ltd.*, New Delhi, Pp 94 -103.
- [8] Li, Hairong; Cheng Kuo and Maratha G. Rusell (1999), "The Impact of Perceived Channel Utilities, Shopping Orientations, and Demographics on the Consumer's Online Buying Behavior", *Journal of Computer-Mediated Communication*, Volume 5, Issue 2, Pp 1-12.

- [9] Malhotra, Naresh K.; (2001), "Marketing Research – An Applied Orientation", *Pearson Education Asia*, p.83, p.328.
- [10] Prasad, J S and A R Aryasri (2009), "Determinants of Shopper Behaviour in E-tailing: An Empirical Analysis", *Paradigm*, Volume 13, Issue1, Pp 73-83.
- [11] Singh, A., Singla, B. & Sharma, S. (2020). Analyzing the service quality of banks in Punjab. *Test Engineering and Management*. 82(1).
- [12] Singh, A., Jain. A., & Singla, B. (2019). "Technological Advancement-Based Paradigm Shift: A Focus Shift from Large Screen to Small Screen", *International Journal of Innovative Technology and Exploring Engineering*, 8(10).
- [13] Singla, B. & Singh, A. (2019). "Contract Manufacturing: The Boon for Developing Economies", *International Journal of Innovative Technology and Exploring Engineering*, 8(12)
- [14] Singh, Kanwal Gurleen (2014), "Factors Influencing the Customer's Purchase Decision for Various Telecom Services - The Case of Select Districts of Punjab", *International Journal of Advances in Management and Economics*, Volume 1, Issue 3, Pp 1-9.
- [15] Thakur, Rakhi and Mala Srivastava (2013), "Customer usage intention of mobile commerce in India: an empirical study", *Journal of Indian Business Research*, Volume 5, Issue 1, Pp. 52 – 72.