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ROLE OF FMCG AND BRAND SWITCHING WITH FACTOR INFLUENCING CONSUMERBEHAVIOUR AND PREVENTION REGARDING SWITCHING THE BRANDS

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ABSTRACT

Brand switching, also known as brand jumping, has always had an impact on businesses. While the emergence of affordable technology has made it simpler for the typical consumer to reach small and medium brands, it has also made switching brands much easier. Consumers nowadays are more informed than ever before, and they are not hesitant to voice their thoughts and vote with their dollar, pound, or euro. While brands could rely on brand loyalty and inertia buying in the past, today's consumers are more cognizant of value for money and are constantly on the lookout for a better offer. They are also not scared to transfer brands in order to obtain what they desire. The main aim of this paper is to examine FMCG, brand switching, and factors influencing consumer preference for FMCG and brand switching in this article. We also talk about how to avoid switching brands.

Keywords *– FMCG, Brand switching, factors, consumer preference etc.*

1. INTRODUCTION

Brand switching refers to a consumer's decision to buy a product from a different brand than the one they previously or regularly bought. When a consumer or a group of consumers transfers their loyalty from one brand of a given type of product to another, this is known as brand switching. This brand switching could be a one-time thing or something that lasts a long time. Brand switching, often known as brand jumping, is the process of switching from regular use of one product or brand to regular use of a different but similar product. Brand switching is particularly common with products like bottled water, dairy products, and paper towels, which have little perceived quality change between brands. Price promotions, in-store displays, superior availability, perceived improvements or innovations in competitive brands, desire for novelty, number of available brands, perceived risk, frequency of purchase, quality changes, or level of satisfaction with the most recent purchase are the most common reasons for brand switching.

When consumers in a marketplace determine their attitudes toward brands and

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theirpossibility of switching from a brand they are now using, and in particular to which other brand they would switch to, research can be conducted. This allows a picture of likely brand switching behaviour to be built. The market can be modelled to predict future market share if the propensity of consumers to switch is understood. This type of analysis could also reveal the relative standing of competing brands.

2. FMCG

Fast moving consumer goods (FMCGs) are items that have a high shelf turnover, are generally inexpensive, and do not necessitate a lot of thought and money to purchase. Fast Moving Consumer Goods (FMCG) is a classification that refers to a wide range of frequently purchased consumer products such as toiletries, soaps, cosmetics, teeth cleaning products, shaving products, detergents, and other non-durable items such as glassware, bulbs, batteries, paper products, and plastic goods such as buckets, according to Wikipedia Encyclopaedia. According to Philip Kotler, FMCG is defined by products with low unit value that require frequent purchases, as well as consumer behaviour that reflects less loyalty, impulse buying, and little consumer involvement.

Consumers are willing to try new brands since the risk of purchasing FMCG is lower than that of high-involvement buying scenarios. Brand specific elements such as price and promotion of various brands, as well as consumer particular characteristics such as brand loyalty, consumption rate, product inventory, and sensitivity to brand and promotion, influence a customer's decision on which brand to buy and how much of that brand to buy. Consumer durables such as kitchen appliances, which are changed less than once a year, are in contradiction to fast moving. Consumer packaged goods is a word that is interchangeably applied to fast-moving consumer goods. Nestle, Unilever, and Proctor & Gamble are three of the largest and most well-known FMCG corporations. Coca-Cola, Kleener, Pepsi, and Mars are examples of FMCG brands.

With a total market value of more than US $ 13.1 billion, India's FMCG sector is the fourth largest in the sector. It is characterised by a well-established distribution network, intense competition between organised and unorganised parts, and cheap operational costs, as well as a substantial presence of multinational corporations. India has a competitive advantage in this sector due to the availability of critical raw materials, lower labour costs, and presence across the whole value chain.

3. FACTOR INFLUENCING CUSTOMER PREFERENCE FOR FMCG

3.1 Demographic factors

Market marketing strategy is influenced by demographic considerations. These criteria can also be used to segment the market. Age, gender, place of residence (rural/urban), marital status, income, occupation, and family size are all aspects to consider. Customer preferences vary depending on demographic factors.

3.2 Market factors

- **Brand name -** A measure of product identification that gives the product strength. Customers' perceptions of a brand differ, and so the brand's image does as well. It increases customer confidence, making it easier for marketers to sell new products.

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- **Product quality -** Product quality is an important factor in competition and a gauge of a brand's image. In the long run, product quality is critical for gaining customers' trust. Customers prioritise quality as a primary consideration when purchasing a product.

- **Price-** When it comes to purchasing a product, price is an important consideration. It not only adds economic worth to the goods, but it also serves as a quality indicator and a status symbol. A product's price response has a direct impact on sales forecasting.

- **Brands available in the shop-** Customers demand a wide brand of products in the shop, regardless of which brand they like. They switch to another brand due to the unavailability of their preferred brand. Brand loyalty is also a factor in product switching.

- **Retailer advice-** Through their product knowledge and understanding of market trends, retailers assist customers in making complex decisions. Because of their interactions with customers, customers frequently admire the retailer's product recommendations. Customers are enticed to acquire products by information about sales volume of a store's brand, which is commonly offered by retailers.

- **Additional quantity offered-** Customers are typically drawn to markets by enticing deals. These deals give the organisation a short-term competitive advantage in terms of gaining market share. Customers are psychologically encouraged to take advantage of the greater quantity given by businesses.

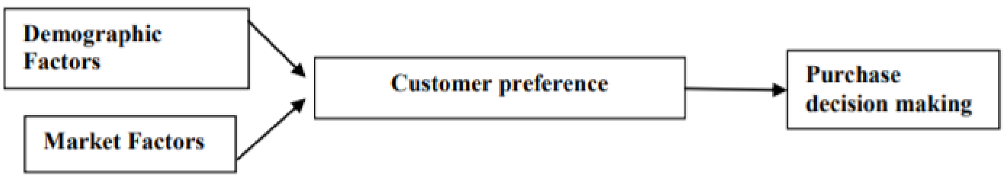

Figure 1:Factor influencing customer preference

The chart demonstrates the impact of demography (rural/urban) and market aspects (Brand name, Product quality, Price, Available brand at shop, Retailer advise, Extra quantity offered) on customer choice, which aids in buying decision-making. Figure 1: A flow chart depicting the factors that influence customer preferences for FMCG products.

4. BRAND SWITCHING

A circumstance in which a brand loses a formerly devoted customer to a competitor is known as brand switching. In other words, a customer alters their purchasing patterns by purposefully purchasing a different brand than their typical preference.

4.1 Why brand switching happens (and how to fight it)

a) **The price of your product doesn't match its value**

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There's no denying that your customers demand good value for their money. All you have to do is think about anybody who walks into your store and wants to buy anything. Let's pretend you're a convenience shop and a customer stops in on their way home from work to pick up a few things.

Bread, milk, cereal, and a variety of other smaller goods are on their shopping list for the purposes of this illustration. It's worth noting that this is a list of products rather than a list of brands. Of course, kids may already have a preference for a particular Cereal brand. However, there is always the risk that they will alter their minds before reaching the shelf.

When consumers come to the shelf and see a product that is priced significantly higher than they expected, the chances of them alter their minds increase;alternatively, if their first choice is unavailable. That apprehension is the first step toward switching to a new product. They're considering it. The next step is to determine if a similar product is being sold for a lesser price nearby and the buyer considers it to be equal. They need a viable alternative if their chosen option is out of stock.

The first thing you should do in this situation is look at your target market. What type of client do you have? How much do they have? What's more important, how much are they willing to pay for it? Is it a cheaper price or the product's value that motivates them?

It's time to focus your attention to your competition once you've established that. What do they charge for a brand that is similar to yours? In comparison to your product, what does their offering entail? Is their product's value superior to yours? Then there are the economic and market conditions to think about when determining the best retail price.

b) Your customer service is inadequate or non-existent

Your level of customer service will go a long way toward attracting new consumers and keeping your existing ones satisfied. It can mean the difference between getting devoted consumers and dealing with sporadic ones.

Many of your consumers may not be able to come in and pick up their prescriptions in a medicinal atmosphere like a pharmacy retailer, for example. As a result, providing excellent customer service may entail establishing a delivery service for all customers who require chronic medication. You're not only pleasing your consumers, but you're also developing a personal relationship with them, which will encourage them to return to you for their medical needs.

The above example pertains to the whole retail brand of a store. Customer service could also be considered from the standpoint of a product.

A buyer, for example, may wish to return an item after purchasing it for any reason. Your level of service can either result in a satisfied customer (a brand advocate who shouts your praises) or an unsatisfied customer who will never buy your items again. To learn about the many complaints that brands receive, all you have to do is go to Hellopeter or a similar website.

However, there is one condition that should be mentioned. There is a distinction to be made between poor customer service and service that a consumer perceives as non-existent. The first is your fault, but the second is completely unrelated to you.

It's worth setting up a process chain with as many resources as possible to prevent customers from switching to a competing

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brand. Simultaneously, you'd have to give the right people the authority to make judgments without waiting for approval.

In addition, assign responsibility to the relevant individuals. Persons, for example After all, you don't want a hostile employee dealing with an angry and unhappy customer before they ever arrive.

c) Your customers have become tired of your brand

Overexposure can be detrimental to a brand or product, and this is true. It's particularly relevant in the retail industry, as new products are constantly released to fight for market share. If a buyer grows dissatisfied with your brand, there is always another one to choose from.

You can't rest on your laurels in this situation. While you may have a big market share right now, everything might change at any time. In this case, Kodak is a great illustration.

With a 9.6% market share in digital camera sales in the United States in 2007, Kodak was fourth. This despite the fact that the demand for digital cameras was not anticipated in a timely manner. It had slid to eighth place by 2010, though. It declared bankruptcy in 2012 and announced that it will no longer manufacture digital cameras.

Canon, on the other hand, is always innovating and releasing new products and add-ons in order to keep customers interested. However, they make cautious not to stray too far from their core spectrum, even while they innovate. This is to avoid the brand becoming unrecognisable to its customers.

That is the crucial point. While innovation is beneficial, there is a point at which it becomes excessive. You could end up changing your brand's entire mission. A product can be killed by an inconsistent brand image.

What can you do to protect your brand and prevent brand weariness among your customers?

First and foremost, you must acknowledge that it is a possibility. That isn't to say it won't happen, but you'll be more prepared if you accept the potential. You won't take anything for granted, which is even more vital.

Then, as soon as you observe a decrease in sales or profits, figure out why.

Why isn't your customer interested in purchasing your brand any longer? It's possible that a new product has been introduced to the market, and your customers are eager to give it a try. It's possible that your customers are no longer familiar with your brand. Alternatively, it might be that you aren't paying attention to what your clients want and expect from your product.

Once you've figured out what's causing the problem, you can work on correcting the errors and re-establishing your brand. Here's some inspiration if you don't believe a brand can "resurrect" from the dead.

d) You lack a thorough understanding of your target market.

You won't know why your consumer buys your product if you don't understand why they switch to a different brand if you don't understand why they buy your product. After all, if you don't meet their wants, they'll go someplace to purchase something different.

There is, fortunately, a lot you can do to prevent this. What's more, there's a lot you can do to

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avoid it. It only requires a willingness to interact directly with your customer.

Customer satisfaction can be gauged by surveys, whether conducted online or in-store. Listening to social media and implementing a loyalty programme are other fantastic ideas. On the loyalty programme, it provides a wealth of data and knowledge that can assist you in providing exactly what your customers require.

5. FACTORS INFLUENCING BRAND SWITCHING

Customers' brand switching is influenced by the following factors:

- **Advertising**

Much of the advertising process is intended at influencing consumers to switch brands, hence increasing market share for a specific brand or brand of brands. It can be tough to persuade consumers to switch brands. Customers frequently develop strong brand loyalty as a result of variables such as quality, price, and brand loyalty. Advertisers frequently target these three areas as part of their brand switching strategy to urge people to switch brands.

- **Price**

Consumers that are price concerned generally consider price to be an essential consideration. Advertisers frequently employ a price comparison model to persuade long-time users of one brand to try a different one. The goal is to persuade the customer that purchasing the same amount of product for less money is doable. This, in theory, means that the consumer can put the money toward anything else, perhaps a luxury item. The idea of including more discretionary funds in the monthly budget can help to encourage brand switching.

- **Quality**

Price alone isn't always enough to persuade people to switch brands. When this is the case, consumers frequently compare the quality of one brand to that of another. If the new brand is of good quality, it will work just as well as the more known brand. When combined with a cost savings, the comparison of quality can often persuade long-time consumers to try the newer product for at least a short period. There are certain consumers who are unconcerned about price. The strategy for these users is to promote the new brand as superior to the established one in brands of quality. A product that can be used to dust wood, glass, and plastic surfaces, for example, may be more appealing than one designed solely for cleaning glass. The implication is that one product can replace three others, which could lead to brand switching.

- **Brand Loyalty**

In order to understand brand switching, it is always necessary to have a deeper understanding of brand loyalty. It's also helpful to segment the market based on brand loyalty in order to better understand the needs of loyal customers and possible brand switchers, as well as their perceptions of key brand qualities.

- **Change Resistance**

Consumers' evolving attitudes are influenced by a variety of things. The consumer's resistance, though, is the most crucial. 'People don't oppose change; they oppose change.' If consumers must be influenced, they should be assisted in determining whether the change is in their best interests. People must be persuaded, not coerced.

6. PREVENTION OF BRAND SWITCHING

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6.1 Reasons that consumers decide to switch brands:

- Out-dated technology
- Marketing strategies
- Brand fatigue
- Bad service
- Value for money

Small and medium businesses are often perceived as being at a disadvantage when it comes to technology and value for money when compared to huge national and multinational corporations. However, this isn't always the case.

Physical technology is out of reach for most small businesses. Smaller businesses can use social media and a strong online presence to counteract this and reach a bigger number of focused potential clients.

When it comes to value for money, the basic rule is that the wider your consumer base, the less expensive it will be to manufacture or provide your product or service. It's a well-known fact that smaller brands are more expensive. Consumers, on the other hand, value for money and customer experience are far more essential factors than the final price. At your peril, ignore your customers' ability to switch brands!

When the other three key reasons for brand switching are coupled, small and medium businesses can shine. Customers grow tired of big-name brands' ubiquitousness and are continually looking for alternatives. Your brand could be the one they switch to if you have a well-thought-out marketing strategy and provide "above and beyond" service.

7. CONCLUSION

It is feasible to conduct market research to establish customers' attitudes toward brands and their likelihood of switching from one brand to another, allowing for the creation of a picture of potential brand switching behaviour. If a consumer's willingness to switch is known, a hypothetical market can be mocked up to predict its future market share. This brand switching analysis is one of the most important methods for predicting the progression of a brand's dynamic.

With this information, the corporation can consider improving the product's image by substituting a different ingredient, displaying that you're paying attention. More significantly, you can demonstrate that your clients are more than just a source of money.

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