

A Project Report on
**“Impact of Price Fluctuation on Consumer Demand Towards
Nestle FMCG Products”**

Submitted to
Department of Management Sciences & Research (DMSR)
G.S. College of Commerce and Economics, Nagpur
(An Autonomous Institution)

Affiliated to:
Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of
Master of Business Administration

Submitted by
Abhishek Basant Sharma

Under the Guidance of
Dr. Madhuri V. Purohit

Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur NAAC

Accredited “A” Grade Institution



Academic Year 2023-24

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur NAAC Accredited "A
"Grade Institution**



CERTIFICATE

This is to certify that **Mr. Abhishek Basant Sharma** has submitted the project report titled, "**Impact of Price Fluctuation on Consumer Demand Towards Nestle FMCG Products**", under the guidance of **Dr. Madhuri V. Purohit** towards the partial fulfillment of **Master of Business Administration** degree examination.

It is certified that he/she has ingeniously completed his/her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

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DECLARATION

I, **Abhishek Basant Sharma** here-by declare that the project with title **“Impact of Price Fluctuation on Consumer Demand Towards Nestle FMCG Products”** has been completed by me under the guidance of **Dr. Madhuri V. Purohit** in partial fulfillment of **Master of Business Administration** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji MaharajNagpur University, Nagpur.**

This project was undertaken as a part of academic curriculum and has not been submitted for any other examination and does not form the part of anyother course undertaken by me.

Abhishek Basant Sharma

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**Department of Management Sciences and Research,
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Academic Year 2023-24

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Last but not the least, I am very much thankful to all those who helped me directly and indirectly in successful completion of my project.

Abhishek Basant Sharma

Place: Nagpur

Date:

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INTRODUCTION

Product price fluctuations refer to the dynamic changes in the cost of goods or services over time. These fluctuations can be influenced by various factors such as supply and demand dynamics, changes in production costs, economic conditions, geopolitical events, and market speculation. Understanding the causes of price fluctuations is crucial for businesses to adapt their pricing strategies accordingly. For consumers, price fluctuations can impact purchasing decisions, budgeting, and overall financial stability. Additionally, price fluctuations can have ripple effects throughout supply chains, impacting suppliers, retailers, and ultimately consumers. Monitoring price fluctuations through market analysis and data tracking allows businesses to make informed decisions and mitigate risks associated with volatility in pricing.

Supply and Demand Dynamics: When the demand for a product exceeds its supply, prices tend to rise, and vice versa. Factors affecting demand and supply include changes in consumer preferences, population growth, technological advancements, and disruptions in production or distribution channels.

Production Costs: Fluctuations in the cost of raw materials, labor, energy, and transportation can impact the overall production costs of a product. For example, an increase in the cost of oil can lead to higher transportation costs, affecting the prices of various goods.

Economic Conditions: Macroeconomic factors such as inflation, unemployment, interest rates, and GDP growth can influence consumer purchasing power and businesses' pricing strategies. During periods of economic growth, demand for many products may increase, leading to price inflation. Conversely, during economic downturns, demand may decrease, putting downward pressure on prices.

Government Policies: Government policies such as taxes, tariffs, subsidies, and regulations can directly affect product prices. For instance, changes in import tariffs can impact the prices of imported goods, while subsidies may lead to lower prices for certain products.

External Events: Events such as natural disasters, geopolitical tensions, currency fluctuations, and pandemics can disrupt supply chains and affect production and distribution costs, leading to price fluctuations. For example, a drought in a major agricultural region can reduce crop yields and drive up food prices.

Market Speculation: Speculation by investors and traders in commodity markets can also contribute to price fluctuations. Speculative activities based on anticipated changes in supply, demand, or geopolitical events can lead to short-term price volatility.

THEORY OF DEMAND-

The theory of demand is a fundamental concept in economics that examines how consumers' preferences, income levels, and prices influence their purchasing decisions. At its core, the theory of demand posits that as the price of a good or service decreases, the quantity demanded by consumers increases, and vice versa, assuming all other factors remain constant. This relationship between price and quantity demanded is depicted graphically through a demand curve, which slopes downward from left to right.

Several key principles underpin the theory of demand. First, the law of demand states that, all else being equal, there is an inverse relationship between the price of a good and the quantity demanded by consumers. This law reflects the intuitive notion that as the price of a good decreases, consumers are more willing and able to purchase larger quantities of it.

Second, the theory considers the concept of income effect, which suggests that changes in the price of a good can affect consumers' purchasing power. When the price of a good falls, consumers may feel wealthier because they can afford to purchase the same quantity of the good for less money. Conversely, a price increase may reduce consumers' purchasing power, leading to a decrease in quantity demanded.

CONSUMER BEHAVIOUR-

Consumer behaviour is the actions and decisions that people or households make when they choose, buy, use, and dispose of a product or service. Many psychological, sociological, and cultural elements play a role in how consumers engage with the market.

It is a multi-stage process that involves identifying problems, collecting data, exploring options, making a decision to buy, and evaluating the experience afterward. Consumers may be impacted during these stages by things including personal views and values, social conventions, marketing campaigns, product features, and environmental conditions.

Understanding consumer behaviour is essential for businesses to create marketing plans that work and to supply goods and services that satisfy customers' wants and needs. To see trends and patterns, forecast demand, and make wise choices regarding product design, price, promotion, and distribution, marketers must analyse and understand data on customer behaviour.

FACTORS INFLUENCE CONSUMER BEHAVIOUR-

Consumer behaviors is influenced by many external factors and internal factors such as situational, psychological, environmental, and marketing factors, personal factors, family, and culture.

Businesses try to collect data so that they can make decisions on how they can reach their target audience in the most efficient way. While some influences maybe temporary and others can be long-lasting, these factors can influence a person to buy or not buy. Let's now look at some of these factors in detail.

Situational factors

They are temporary in nature and include physical factors such as a store's location, layout, colors, music, lighting, and even scent. Companies try to make these factors as favorable as possible. Other situational factors include holidays, time, and moods of the consumer.

Personal factors

These factors include demographic factors such as age, gender, income, occupation, etc. It also depends on one's interests and opinions. To further understand consumers, companies also look more closely at their lifestyles – their daily routine, leisure activities, etc.

Social factors

This factor also includes social class, level of education, religious and ethnic background, sexual orientation, customer orientation, and people around you – family, friends, or social network. Different cultures have varying customs and rituals that influence how people live their lives and what products they purchase.

Generally, consumers in the same social class exhibit similar buying behavior. Most market researchers believe a person's family is one of the biggest determinants of buying behavior.

Psychological factor

A person's ability to understand information, perception of needs, and mindset influence consumer behavior. One's reaction to a marketing campaign will depend on one's beliefs and state of mind.

Consumer behavior in marketing

Consumer behavior is important in marketing because it explains how consumers make decisions about what products to buy when to buy them, and from whom to buy them.

Marketers can develop effective marketing strategies that target the right consumers with the right message at the right time by understanding consumer behavior. Here are some examples of how consumer behavior affects marketing:

Segmentation

Consumer behavior research helps marketers behavioral segment markets. Marketers can modify their marketing messages and strategies to better appeal to each demographic by recognizing these segments.

Product design

Understanding consumer behavior can also aid in product development. Marketers can create products that better meet consumer needs and preferences by analyzing customer requirements and tastes, leading to increased sales and customer satisfaction.

Pricing Strategies

Marketers can use consumer behavior data to determine the price points at which customers are willing to pay for a product, as well as the pricing strategies most likely to appeal to each market segment.

Branding

Consumer behavior research helps in the development of branding strategies. Marketers can create brand messages and strategies that resonate with consumers and build brand loyalty by understanding consumer attitudes and perceptions of brands.

COMPANYPROFILE



Nestlé is one of the world's largest food and beverage companies, founded in 1866 by Henri Nestlé. Here's a detailed profile:

Company Name: Nestlé S.A.

Founded: 1866 by Henri Nestlé in Vevey, Switzerland.

CEO: Ulf Mark Schneider (as of my last update)

Headquarters: Vevey, Switzerland

Industry: Food and Beverage

Products: Nestlé produces a vast array of food and beverage products, including baby food, bottled water, breakfast cereals, coffee and tea, confectionery, dairy products, ice cream, frozen food, pet foods, and snacks. Some of its well-known brands include Nescafé, Nestea, KitKat, Maggi, Nespresso, Purina, and many more.

Global Presence: Nestlé operates in 186 countries worldwide, with over 2,000 brands in its portfolio.

Revenue: Nestlé's annual revenue is in the tens of billions of dollars, making it one of the largest companies in the world by revenue.

Employees: Nestlé employs over 300,000 people globally.

MISSION-

The world's premier nutrition, health, and wellbeing corporation

Vision-

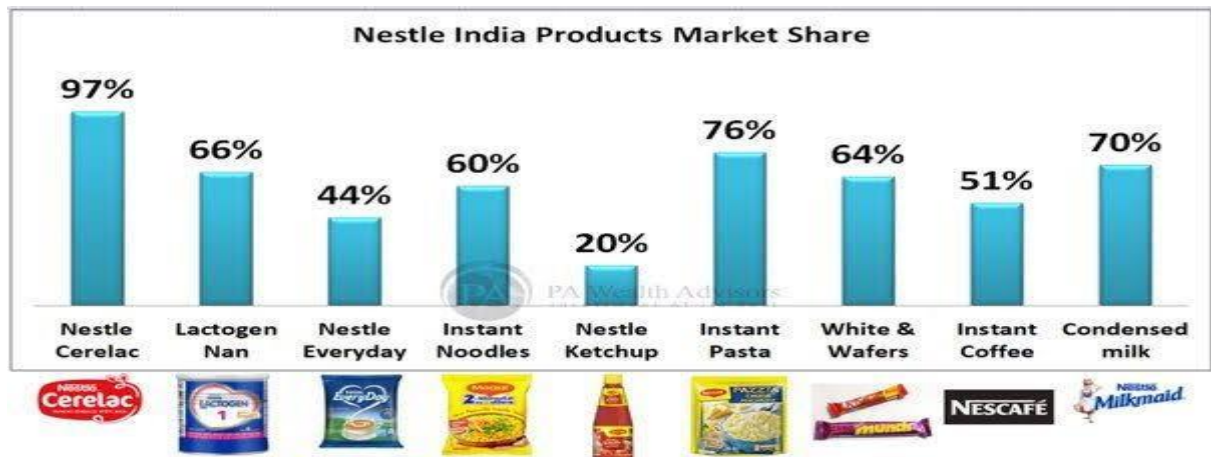
To be a global, competing Nutrition, Healthcare, and Wellness Company producing greater value for shareholders by being a chosen responsible company, chosen employer, preferred partner, and chosen seller of products/ services

Core Values-

Full legal conformity, integrity, fair dealings, integrity, and respect" are Nestlé's basic principles.

CATEGORIES OF FMCG PRODUCTS OFFERED BY NESTLE

CATEGORIES	PRODUCTS
BEVERAGES	<ul style="list-style-type: none"> - Nescafé Coffee - Nestea Iced Tea - Nesquik Chocolate Milk - Nestlé Pure Life Water
CONFECTIONERY	<ul style="list-style-type: none"> - KitKat Chocolate - Smarties - Aero Chocolate - Butterfinger
FOOD AND SNACKS	<ul style="list-style-type: none"> - Maggi Instant Noodles - Nestlé Cerelac Baby Food - Nestlé Breakfast Cereals - Maggi Soup
DAIRY PRODUCTS	<ul style="list-style-type: none"> - Nestlé Milk - Nestlé Yogurt - Nestlé Ice Cream
NUTRITION AND HEALTH SCIENCE	<ul style="list-style-type: none"> - Nestlé Infant Formula - Nestlé Health Science products - Nestlé Opti fast



PROBLEM STATEMENTS

1. The fast-moving consumer goods (FMCG) sector is characterized by high product turnover and price sensitivity.
2. Despite the essential nature of many FMCG products, the relationship between price fluctuations and consumer demand remains underexplored.
3. This research aims to determine how price changes impact consumer purchasing behavior, identify which product categories are most affected, and understand the role of demographic and economic factors in moderating these effects.
4. By addressing this gap, the study will provide insights for FMCG companies to develop effective pricing strategies that sustain demand in a volatile market.

LITERATURE REVIEW

Price Sensitivity and Consumer Behavior in FMCG

Authors: Nijs, V. R., Srinivasan, S., & Pauwels, K.

Journal: Journal of Marketing Research, 2007

Summary: This study explores how price sensitivity varies across different FMCG categories. It highlights that consumers are more price-sensitive in non-essential categories, whereas essential items show lower price elasticity. The research emphasizes the importance of understanding category-specific consumer behavior for pricing strategies.

The Role of Brand Loyalty in Price Elasticity of Demand

Authors: Erdem, T., & Keane, M. P.

Journal: Journal of Business & Economic Statistics, 1996

Summary: Investigates how brand loyalty impacts consumers' responsiveness to price changes. Findings suggest that strong brand loyalty significantly reduces price elasticity, meaning loyal customers are less likely to switch brands due to price increases.

Consumer Perception of Price Changes in FMCG Products

Authors: Lichtenstein, D. R., Ridgway, N. M., & Netemeyer, R. G.

Journal: Journal of Consumer Research, 1993

Summary: Examines how consumers perceive and react to price changes in FMCG products. The study finds that perceived fairness of price changes and the frequency of discounts play critical roles in shaping consumer reactions.

Impact of Promotional Activities on Price Sensitivity

Authors: Blattberg, R. C., & Neslin, S. A.

Journal: Journal of Marketing Research, 1990

Summary: Analyzes the effect of promotions on price sensitivity. It concludes that frequent promotions can increase price sensitivity over time, as consumers become accustomed to discounts and less willing to purchase at regular prices.

Income and Price Elasticity of Demand

Authors: Deaton, A., & Muellbauer, J.

Book: Economics and Consumer Behavior, 1980

Summary: Discusses how income levels influence price elasticity. Higher-income consumers tend to be less sensitive to price changes, whereas lower-income consumers exhibit higher price sensitivity.

Consumer Demand and Price Changes During Economic Recession

Authors: Taylor, L., & Weerapana, A.

Journal: Journal of Economic Perspectives, 2010

Summary: Focuses on how economic downturns affect consumer demand and price sensitivity. It finds that during recessions, consumers become more price-conscious, particularly for non-essential FMCG products.

Price Fluctuations and Consumer Purchase Intentions

Authors: Chandon, P., Wansink, B., & Laurent, G.

Journal: Journal of Consumer Research, 2000

Summary: This study assesses the impact of price fluctuations on consumer purchase intentions. It reveals that significant price increases can deter purchases, while minor fluctuations may have minimal impact.

The Effect of Competitor Pricing on Consumer Demand

Authors: Briesch, R. A., Chintagunta, P. K., & Fox, E. J.

Journal: Marketing Science, 2009

Summary: Investigates how competitor pricing influences consumer demand. The study finds that competitive price cuts lead to increased price sensitivity among consumers

Behavioral Responses to Price Changes

Authors: Monroe, K. B.

Book: Pricing: Making Profitable Decisions, 1990

Summary: Explores the psychological aspects of how consumers respond to price changes. It highlights that perceived value and reference prices are crucial in determining consumer reactions to price fluctuations.

Consumer Behavior in Response to Dynamic Pricing

Authors: Elmaghraby, W., & Keskinocak, P.

Journal: Manufacturing & Service Operations Management, 2003

Summary: Discusses how consumers respond to dynamic pricing strategies. The study reveals that transparency in pricing and communication can mitigate adverse reactions to dynamic pricing.

RESEARCH METHODOLOGY

A research methodology describes the techniques and procedures used to identify and analyze information regarding a specific research topic. It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments. It includes all the important aspects of research, including research design, data collection methods, data analysis methods, and the overall framework within which the research is conducted. While these points can help you understand what is research methodology, you also need to know why it is important to pick the right methodology.

RESEARCH DESIGN -

The purpose of this study is to gain knowledge and brief understanding about consumer preferences, perceptions, and purchasing patterns towards Nestlé FMCG products.

RESEARCH APPROACH -

The respondents will be the consumers and users of Nestlé FMCG Products who are interested to cooperate to collect the data the In - Depth interview method with help of questionnaire is used.

RESEARCH INSTRUMENT -

Contacting the customer personally and studying the response from the questionnaires field.

DATA ANALYSIS METHOD -

The data analysis of this research was represented on qualitative as well as quantitative manner.

DATA COLLECTION -

1. PRIMARY DATA - Primary data refers to original data collected firsthand by the researcher for a specific research purpose. This data is gathered through methods such as surveys, interviews, observations, experiments, and focus groups

Primary data is tailored to the specific research questions and objectives, allowing researchers to obtain information directly relevant to their study. Examples of primary data include responses to survey questions, transcripts of interviews, recorded observations, experimental results, and feedback from focus groups. Primary data collection can be time-consuming and costly, but it provides unique and specific insights that are not available from other sources.

For my research project Questionnaire for in - depth discussion with various respondents to be interviewed through face-to-face contact with respondents as well as through google form during primary survey.

1. SECONDARY DATA -

Secondary data refers to existing data that has been collected by someone else for a purpose other than the current research study. This data is obtained from sources such as books, journals, government publications, industry reports, academic studies, databases, and websites. Secondary data is often used to supplement primary data or to provide context and background information for a research study. Examples of secondary data include historical records, statistical data, market research reports, literature reviews, and company financial statements. Secondary data collection is typically less expensive and time-consuming compared to primary data collection, as the data already exists and is readily available.

For my research project Secondary data from various magazine, newspaper, and other prominent source of information collected from different website and search engines.

SAMPLING METHOD –

In - Depth interview for this study was limited in my area, the interview was only on the consumers and users of Nestlé FMCG products bases. The sample size was 100 for this study. The random sampling size method was used for selecting samples.

RESEARCH STUDY

NEED OF STUDY

- The main objective of taking this project is to understand how sensitive consumers are to changes in prices of their products.
- This insight can suggest pricing strategies, helping Nestlé to optimize pricing to maximize sales and revenue.
- It analyses consumer behaviour in response to price fluctuation and can provide valuable information on consumer preferences, affordability, and spending patterns, aiding in product development and marketing efforts.

OBJECTIVES OF THE STUDY

- To Understand how price changes affect consumer buying behaviors.
- To Identify which Nestlé FMCG products are most affected by pricefluctuations.
- To Assess the impact of price changes on overall sales volume.
- To Analyze consumer responses to price increases versus decreases.

HYPOTHESIS

H(0) - Null Hypothesis:

- There is no significant impact of price fluctuations on consumer demand for Nestlé FMCG products.

H(1) - Alternative Hypothesis:

- Price fluctuations significantly impact consumer demand for Nestlé FMCG products.

H(0) - Null Hypotheses:

- Price changes do not affect the purchasing behaviour of consumers towards Nestlé FMCG products.

H(2) - Alternative Hypothesis:

- Changes in prices affect consumer purchasing behaviour towards Nestlé FMCG products.

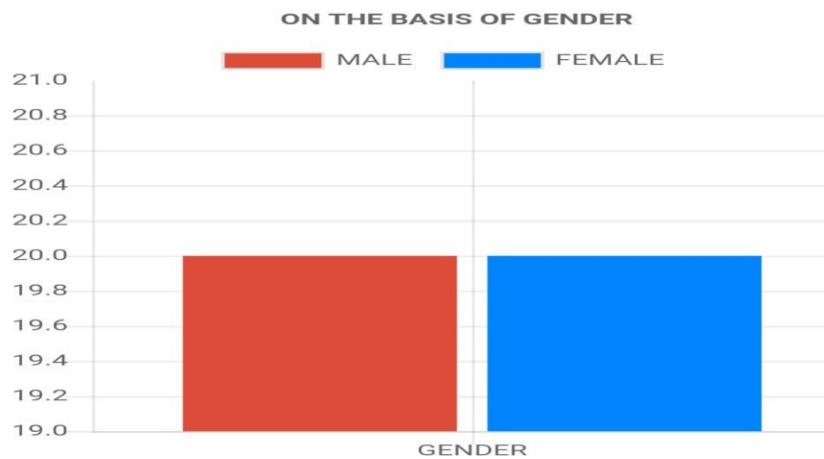
LIMITATION OF THE STUDY

- Respondents may fill false information in the form.
- Respondents tend to avoid filling the feedback form.
- The study is focused on the people from Nagpur.
- This study is focused on nestle FMCG products user only.

DATA ANALYSIS & INTERPRETATIONS

1. ON THE BASIS OF GENDER

GENDER	NO. OF RESPONDENTS	PERCENTAGE
MALE	50	50%
FEMALE	50	50%
TOTAL	100	100%



INTERPRETATION-

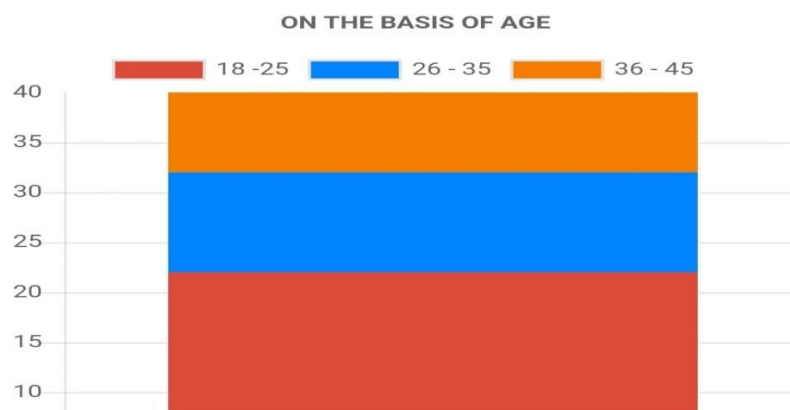
Hence there are Male-

50%

Females-50%

2. ON THE BASIS OF AGE

AGE GROUP	NO. OF REpondENTS	PERCENTAGE
18-25	55	55%
26-35	25	25%
36-45	20	20%
TOTAL	100	100%



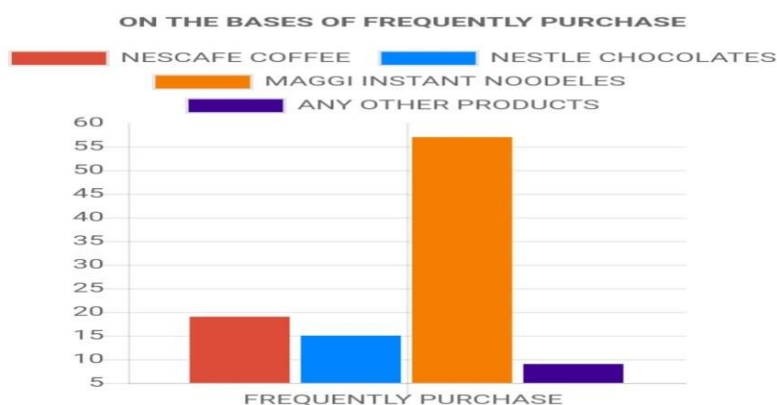
INTERPRETATION-

Hence there are

55% respondents who are under the age group of 18 - 25
25% respondents who are under the age group of 26 - 35
20% respondents who are under the age group of 36 – 45

3. WHICH NESTLE FMCG PRODUCTS DO YOU FREQUENTLY PURCHASE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
NESCAFE COFFEE	19	19%
NESTLE CHOCLATE	15	15%
MAGGI INSTANT NOODLES	57	57%
ANY OTHER PRODUCTS	9	9%
TOTAL	100	100%



INTERPRETATION-

Based on the survey results, Maggi Instant Noodles emerge as the most frequently purchased Nestlé FMCG product, with 57% of respondents indicating regular purchase. Nescafé Coffee follows with 19% of respondents, and KitKat Chocolate with 15%. Only 9% of respondents purchase other Nestlé products frequently.

4. HOW DO YOU PERCEIVE NESTLE FMCG PRODUCT PRICES IN COMPARISON TO COMPETITORS?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
LOWER	43	43%
ABOUT THE SAME	28	28%
HIGHER	19	19%
NOT SURE	10	10%
TOTAL	100	100%



INTERPRETATION-

According to the survey data, 43% of respondents perceive Nestlé FMCG product prices as lower compared to competitors, while 28% see them as about the same. Additionally, 19% view Nestlé prices as higher, and 10% are unsure.

5. HOW SENSITIVE ARE YOU TO PRICE CHANGES WHEN PURCHASING NESTLÉ FMCG PRODUCTS?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
LOWER	43	43%
ABOUT THE SAME	28	28%
HIGHER	19	19%
NOT SURE	10	10%
TOTAL	100	100%

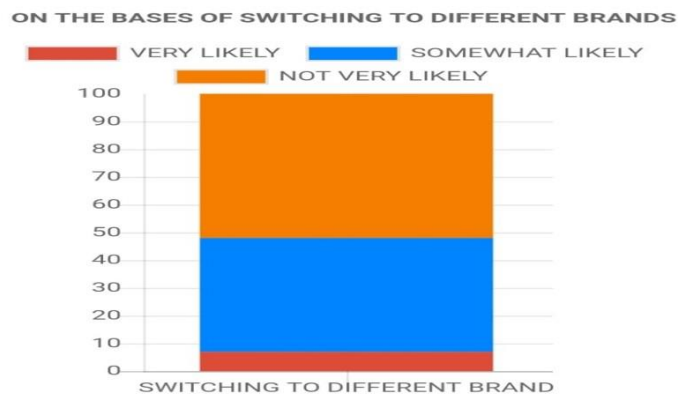


INTERPRETATION-

According to the survey data, 43% of respondents perceive Nestlé FMCG product prices as lower compared to competitors, while 28% see them as about the same. Additionally, 19% view Nestlé prices as higher, and 10% are unsure.

6. HOW LIKELY ARE YOU TO SWITCH TO A DIFFERENT BRAND WHEN NESTLÉ FMCG PRODUCT PRICES INCREASE?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
VERY LIKELY	7	7%
SOMEWHAT LIKELY	41	41%
NOT VERY LIKELY	52	52%
TOTAL	100	100%

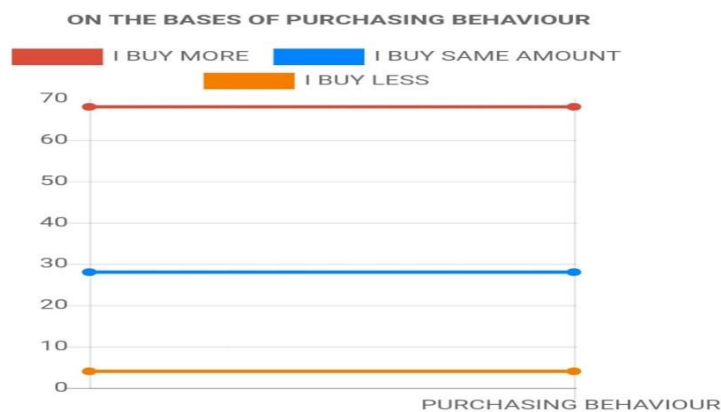


INTERPRETATION:-

Based on the survey results, only 7% of respondents are very likely to switch to a different brand when Nestlé FMCG product prices increase, while 41% are somewhat likely. However, the majority, comprising 52% of respondents, are not very likely to switch brands in response to price increases.

7. WHEN NESTLÉ FMCG PRODUCT PRICES DECREASE, HOW DOES IT AFFECT YOUR PURCHASING BEHAVIOR?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
I BUY MORE	68	68%
I BUY SAME AMOUNT	28	28%
I BUY LESS	4	4%
TOTAL	100	100%



INTERPRETATION-

According to the survey data, when Nestlé FMCG product prices decrease, the majority of respondents, 68%, indicated that they buy more of the products. 28% stated that they buy the same amount, while only 4% said they buy less.

8. HOW DO YOU THINK NESTLÉ COULD BETTER MANAGE PRICE FLUCTUATIONS TO MEET CONSUMER DEMAND?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
LOWER PRICES OVERALL	34	34%
MORE FREQUENT PROMOTIONS	21	21%
OFFER MORE VALUE-ADDED PRODUCTS	45	45%
TOTAL	100	100%



INTERPRETATION-

Based on the survey findings, when asked how Nestlé could better manage price fluctuations to meet consumer demand, 34% of respondents suggested lowering prices overall. Additionally, 21% recommended implementing more frequent promotions. However, the majority, comprising 45% of respondents, believed that Nestlé could better manage price fluctuations by offering more value-added products.

9. HOW OFTEN DO YOU NOTICE PRICE CHANGES IN THE NESTLÉFMCG PRODUCTS YOU PURCHASE?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
Frequently	7	7%
Occasionally	33	33%
Rarely	38	38%
Never	22	22%
TOTAL	100	100%

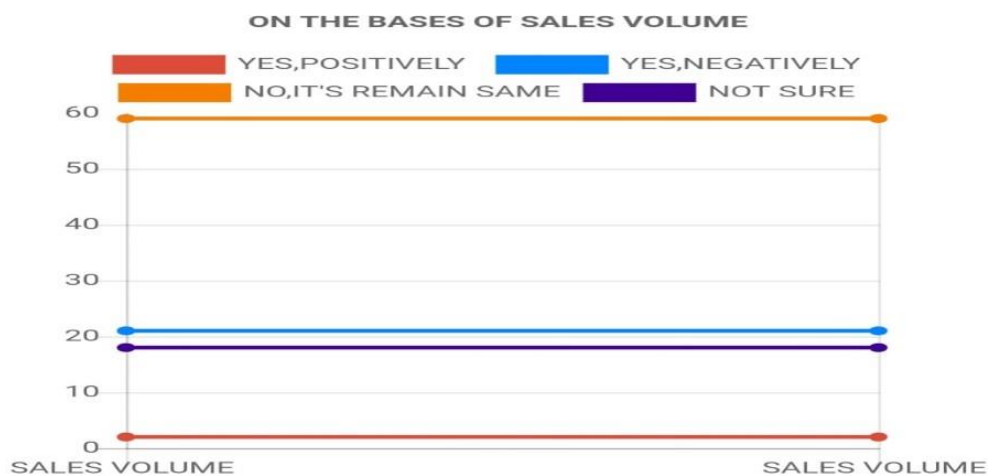


INTERPRETATION-

Based on the survey data, a significant portion of respondents, 38%, rarely notice price changes in the Nestlé FMCG products they purchase. 33% indicated noticing price changes occasionally, while 22% never notice price changes. Only 7% of respondents reported frequently noticing price changes.

10. DO YOU THINK PRICE CHANGES AFFECT THE OVERALL SALES VOLUME OF NESTLÉ FMCG PRODUCTS?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
Yes, positively	2	2%
Yes, negatively	21	21%
No, it remains the same	59	59%
Not sure	18	18%
TOTAL	100	100%

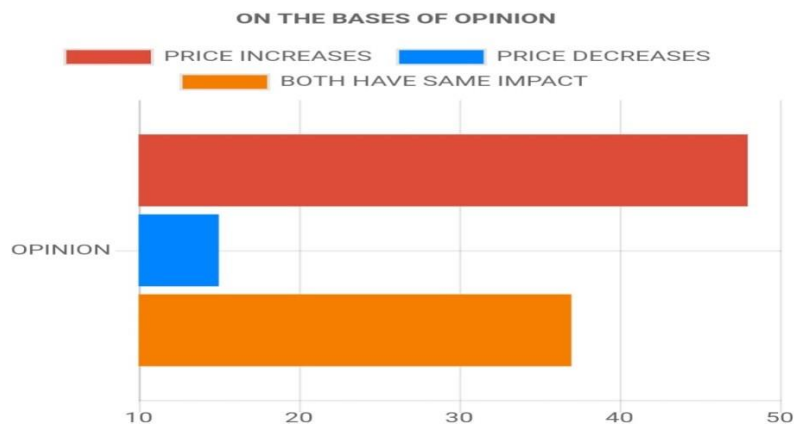


INTERPRETATION-

According to the survey findings, the majority of respondents, 59%, believe that price changes do not significantly affect the overall sales volume of Nestlé FMCG products, suggesting stability in consumer demand regardless of price fluctuations. However, 21% of respondents think that price changes have a negative impact on sales volume, while only 2% believe they have a positive effect. Additionally, 18% of respondents are unsure about the impact of price changes on sales volume.

11. IN YOUR OPINION, WHICH TYPE OF PRICE CHANGE (INCREASE OR DECREASE) HAS A GREATER IMPACT ON CONSUMER BUYING BEHAVIOR?

PARTICULARS	NO. OF RESPONDANTS	PERCENTAGE
PRICE INCREASE	48	48%
PRICE DECREASE	15	15%
BOTH HAVE SIMILAR IMPACTS	37	37%
TOTAL	100	100%



INTERPRETATION-

Based on the survey data, 48% of respondents believe that price increases have a greater impact on consumer buying behaviors, while only 15% think the same about price decreases. However, 37% of respondents indicated that both types of price changes have similar impacts on consumer buying behaviors.

HYPOTEHSIS TESTING-

H (1) - Price fluctuations significantly impact consumer demand for Nestlé FMCG products.

H (2) - Changes in prices affect consumer purchasing behaviors towards Nestlé FMCG products.

From the above said research study of “IMPACT OF PRICE FLUCTUATION ON CONSUMER DEMAND TOWARDS NESTLÉ FMCG PRODUCTS” it is found that hypothesis H(1) that is “Price fluctuations significantly impact consumer demand for Nestlé FMCG products” found to be true and hence, accepted and Null Hypotheses H(0) i.e. “there is no significance impact of price fluctuation on consumer demand for Nestle FMCG product” is rejected also hypothesis H(2) that is “Changes in prices affect consumer purchasing behaviors towards Nestlé FMCG products” also found to be true and hence accepted and Null Hypothesis H(0) i.e. “price changes do not affect the purchasing behavior of consumer towards Nestle FMCG product” is rejected.

This conclude that both the Null Hypothesis is rejected.

FINDINGS

1. It is found that a significant portion of consumers perceive Nestlé's prices favorably in comparison to its competitors, which could indicate a competitive advantage in pricing strategy for the company.
2. It is found that suggests that while a significant portion of consumers are price-sensitive, a substantial segment may be less affected by fluctuations in Nestlé's product prices
3. It is found that while some consumers may consider alternatives, a significant portion are loyal to Nestlé despite potential price hikes.
4. It is found that lower prices for Nestlé FMCG products have a significant impact on increasing purchasing behaviors among consumers, potentially leading to higher sales volumes for the company.
5. It is found that consumers value both competitive pricing and product innovation from Nestlé as strategies to meet their needs amidst price fluctuations.
6. It is found that there is popularity and strong market presence of Maggi Instant Noodles among consumers compared to other Nestlé FMCG products.
7. It is found that for many consumers, price changes in Nestlé FMCG products may not be a primary factor influencing their purchasing decisions.
8. It is found that factors other than price may play a more significant role in influencing sales volume for Nestlé FMCG products.
9. It is found that consumers are more sensitive to price increases, which may lead to adjustments in purchasing behaviors, while price decreases may have a less pronounced effect overall.

CONCLUSION

In conclusion, while price fluctuations can exert pressure on consumer demand for Nestle FMCG products, the company's strong brand equity, strategic marketing initiatives, and product differentiation strategies serve as critical buffers against adverse market conditions.

By understanding consumer preferences, market dynamics, and economic trends, Nestle can adapt its pricing strategies and marketing efforts to maintain consumer loyalty and sustain market competitiveness amidst price volatility.

The study reaffirms the positive hypothesis regarding the impact of price fluctuations on consumer demand towards Nestle FMCG products.

Through brand loyalty, strategic adaptability, and market differentiation, Nestle not only withstands the challenges posed by price volatility but also capitalizes on opportunities for growth and expansion in the competitive FMCG landscape.

SUGGESTIONS

1. Implement flexible pricing strategies to mitigate the impact of price fluctuations on consumers.
2. Introduce promotional offers during periods of price increases to ease the burden on consumers.
3. Focus on value-added bundles or combo deals to provide savings despite price fluctuations.
4. Enhance communication with consumers regarding the reasons behind price changes to maintain transparency.
5. Invest in cost-saving measures to minimize the need for frequent price adjustments.
6. Emphasize the quality and benefits of Nestlé products to justify price points during fluctuations.

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ANNEXURE

QUESTIONNAIRE-

Fill your details:

Name: _____

Gender: _____

How old are you: _____

Profession: _____

Income: _____

Area/ district you live: _____

1. Basis of gender?

a) Male

b) Female

2. Basis of age group?

a) 18-25

b) 26-35

c) 36-45

3. Which Nestlé FMCG products do you frequently purchase?

- a) Nescafé Coffee
- b) Nestle Chocolate
- c) Maggi Instant Noodles
- d) Any other products

4. How do you perceive Nestlé FMCG product prices in comparison to competitors?

- a) Lower
- b) About the same
- c) Higher
- d) Not sure

5. How sensitive are you to price changes when purchasing Nestlé FMCG products?

- a) Very sensitive
- b) Somewhat sensitive
- c) Not very sensitive
- d) Not sure

6. How likely are you to switch to a different brand when Nestlé FMCG product prices increase?

- a) Very likely
- b) Somewhat likely
- c) Not very likely

7. When Nestlé FMCG product prices decrease, how does it affect your purchasing behaviors?

- a) I buy more
- b) I buy the same amount
- c) I buy less

8. How do you think Nestlé could better manage price fluctuations to meet consumer demand?

- a) Lower prices overall
- b) More frequent promotions
- c) Offer more value-added products

9. How often do you notice price changes in the Nestlé FMCG products you purchase?

- a) Frequently
- b) Occasionally
- c) Rarely
- d) Never

10) Do you think price changes affect the overall sales volume of Nestlé FMCG products?

- a) Yes, positively
- b) Yes, negatively
- c) No, it remains the same
- d) Not sure

11) In your opinion, which type of price change (increase or decrease) has a greater impact on consumer buying behavior?

- a) Price increase
- b) Price decrease
- c) Both have similar impacts