



## Original Research Article

**Research on the factors influencing price fluctuations of stock in the FMCG sector****Raj Dave<sup>1</sup>, Khushbu Thakker<sup>1\*</sup>**<sup>1</sup>Christ Institute of Management, Rajkot, Gujarat, India.**Abstract**

The main goal of this study is to analyse the price fluctuations of gopal snack's limited stock prices in the stock market. This study helps to understand what the factors are have impacted the price fluctuations of stock in the FMCG sector. It is observed that stock will fluctuated with so many factor such as company announcement, government announcement, company performance, economic conditions, customer and investor perception toward the stock and other related factors but the impact in the price will differ from the factor to factor.

**Keywords:** FMCG, Gopal Snacks, Customer - investor perception, Price fluctuations

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**1. Introduction**

The stock market is a system where investors buy and sell shares of publicly traded companies. It serves as a platform for companies to raise capital by issuing stock which is commonly known as IPO (Initial Public Offering). The market operates through the stock exchanges in India mainly two stock exchanges are NSE (National stock exchange) and BSE (Bombay stock exchange). Stock price fluctuate based on different factors of company, economic conditions, investor sentiments. It plays a vital role in the economy by providing liquidity and offering individuals opportunities for wealth creation through investment.

The Indian stock market is predominant by mainly three sectors namely, service, manufacturing, agriculture. The FMCG (Fast Moving Consumer Goods), sector has similarities with both manufacturing and agriculture sector. considering the importance of FMCG sector this study is focused on the share price volatility of Gopal Snacks Limited stocks. Which is located in Metoda Rajkot, Nagpur and Modasa.

This research is based on fluctuation of Gopal Snacks Limited share price. This study has collected 101 responses as a sample. Gopal Snacks Limited company is working in the FMCG sector, which is recently published its IPO. After completion of this study will come to conclusion of what are the factors that are affecting the price moment of Gopal.

**2. Literature Review**

- (Venkata Lakshmi Suneetha, July 2024 ) Comparative Analysis of Volatility and Sensitivity in FMCG and IT Stocks: An Empirical Study. July 2024  
The findings of the research hold significance for investors seeking to manage risk and optimize portfolio allocation, as well as policymakers aiming to formulate effective market regulations and interventions to promote market stability. By identifying the factors influencing sectoral volatility and recommending risk management strategies, the paper offers actionable insights for market participants to navigate the challenges and opportunities presented by the Indian stock market. Additionally, the study sets a foundation for future research endeavours aimed at further exploring the

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complexities of sectoral volatility and its implications for the broader financial landscape.

2. (Joghee, May 2021) A Study On Technical Analysis Of Selected FMCG Scripts With Reference To Annamalai Capital Services (P) Ltd., Coimbatore City. May 2021. “Risk comes from not knowing what you’re doing.” – Warren Buffett The study in focus mainly concentrates on understanding the pricing patterns drawn by top five firms from Fast Moving Consumer Goods in National Stock Exchange using Technical Analysis. The price movements of the subjected companies are being observed by the implication of various technical indicators and charts over a pre-determined period. Through the study we could watch the turning points i.e. Trend creation which helps us to determine the buy and sell signals. This study also allows us to spot the resistance and support level of the underlying firm alongside identifying the better performing FMCG Company while comparing to that of others based on their price fluctuation.
3. (S, October 2024) Stock market reaction to lok sabha election: a study of listed companies in nse with reference to banking, FMCG AND IT. October 2024.

### 3. Conclusion

The analysis of the NIFTY 50's reaction to the 2024 Lok Sabha election highlights significant insights into market behaviour during political events. Firstly, the overall reaction of the NIFTY 50 was influenced by the election, as observed through fluctuations in returns and volatility across the Banking, FMCG, and IT sectors. The IT sector showed resilience, particularly after the election, with companies like TCS and Infosys demonstrating positive performance in metrics like Jensen Alpha and Treynor Ratio. The Banking sector exhibited mixed results, with ICICI Bank and Axis Bank performing relatively better during and after the election compared to others. However, the FMCG sector, especially Nestle and Hindustan Unilever, struggled to recover post-election, as indicated by persistently negative Jensen Alpha values. The correlation analysis between the sectors and NIFTY 50 revealed varying degrees of linkage before, during, and after the election, with stronger correlations seen during the election period, suggesting heightened market sensitivity to political developments. Finally, through the event study methodology, the unit root test and GARCH model confirmed significant volatility around the election, validating the event's impact on stock prices. Overall, the study emphasizes the varying sectoral performances and highlights the importance of political events in shaping market behaviour.

(Kammili, November 2023) A Study on Technical Analysis of Indian FMCG Sector. November 2023

The study aims to identify potential signals for buying and selling, levels of support and resistance, and price targets

within the Indian FMCG sector. Additionally, the research explores the impact of market trends, economic factors, and industry-specific events on the sector's performance. The findings of this study contribute to the existing knowledge in technical analysis and provide valuable insights for investors and traders interested in the Indian FMCG sector. The results enhance understanding of the sector's price movements, volatility, and potential investment opportunities, enabling market participants to develop effective trading strategies and risk management approaches. It is important to note that this study solely focuses on the technical analysis of the Indian FMCG sector and does not consider fundamental analysis or qualitative factors that may influence investment decisions. Therefore, readers are encouraged to combine the findings of this study with additional research and analysis before making investment choices.

(Sanjib Biswas, May 2023) Effect of COVID-19 on Stock Price: A Time Series-Based Analysis of FMCG and Consumer Durables Sector in India. May 2023

The present study attempts to analyze the immediate short run impact of the COVID-19 crisis on ISM focusing two sectors such as Fast-Moving Consumer Goods (FMCG) and Consumer Durables (CD) listed in BSE, India. Since, the products of these two sectors are of common use by the household, it is interesting to unveil the impact of COVID-19 on the stock prices of the constituent companies. The study period is from April 01, 2013 to March 31, 2021. We consider top 25 FMCG and 05 CD stocks based on their aggregated market capitalization (for the period FY 2013–2014 to FY 2020–2021). Monthly closing stock prices were collected from the BSE database. The underlying objective is to uncover the nature of impact of COVID-19 on the stock prices of these companies. A time series analysis is carried out to discern the effect of the outbreak of COVID-19 on the closing stock price movements of the companies under study. We use autoregressive integrated moving average (ARIMA) model to predict the monthly closing prices for the period April 2020–March 2021 and calculate the deviation for all the stocks. It is seen that the companies got hit by COVID-19. The result contradicts the fact the companies which have multiple products and better reach in the market could stand. The study supports the general notion that luxury goods were not purchased during the crisis period. Keywords COVID-19 Bombay Stock Exchange Stock price movement

(Mr. K. Venkata Visweswara Rao, August 2024) Analysis of Risk and Return in Selected FMCG Stocks: A Comparative Study. August 2024

This study investigates the risk and return of stocks from four selected FMCG companies over a two-year period. By utilizing secondary data from the BSE India website and employing descriptive statistics, the research identifies the risk and return profiles of Hindustan Unilever Ltd., ITC Ltd.,

Nestle India Ltd., and Dabur India Ltd. The findings reveal significant insights into the average returns and volatility of these stocks, aiding investors in making informed decisions. The study concludes with recommendations on the most suitable FMCG stocks for investment, highlighting those with the highest returns and lowest risk.

#### 4. Statement of Problem

Research on the Factors influencing Gopal Snacks Limited's Stock Fluctuations. In current world the stock markets are very much in trends so many people are associated with the market this study is aimed to focus on what are the factors that can influence one stock for that we have consider one company name Gopal Snacks Limited.

#### 5. Research Methodology

##### 5.1. Objectives of research

1. To study the reason of fluctuations of Gopal Snacks Limited Stock prices.
2. To research the factors influencing Gopal Snacks Limited Stock prices.
3. To research which factor mostly impact on the Gopal Snacks Limited Stock prices.

4. To understand the perception of investor regarding the factor that can influence stock prices of Gopal snacks Limited.

##### 5.2. Scope of research

Thus, this research is useful to the following parties:

1. Investors
2. Students
3. Investment advisors
4. Researchers

##### 5.3. Data collection and research design

For this research, Primary data is collected through questionnaire method from individuals and 101 responses have been received across different ages and professions. This research is descriptive in nature with analytical perspective. With 24 questions including demographic questions, likert scale, multiple choice questions, secondary data was collected through websites, journals, and research papers.

##### 5.4. Data analysis

Here we have used 9 liker scale questions with satastical test (ANOVA single factor). For the internal consistency of data we have used Cronbach's alpha to check the internal consistency of dat

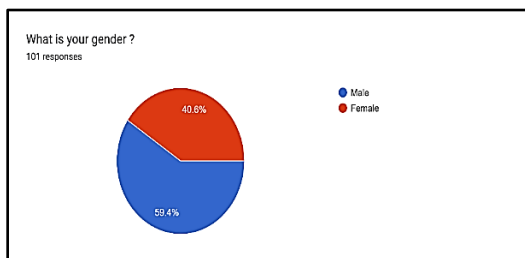


Figure 1: What is your gender?

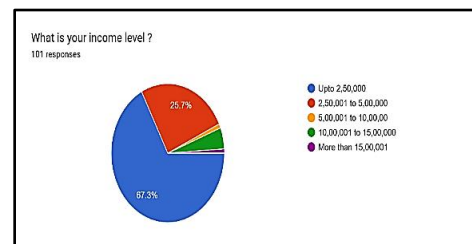


Figure 4: What is your income level?

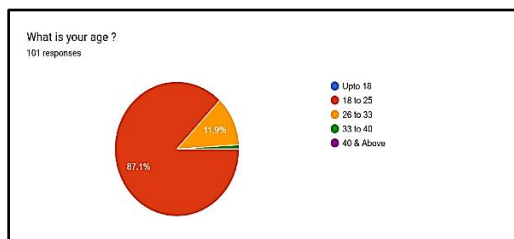


Figure 2: What is your age?

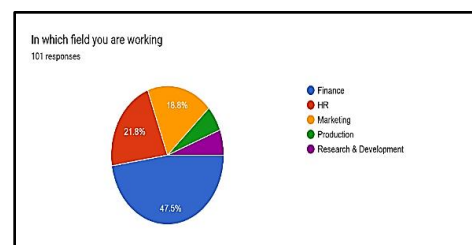


Figure 5: Which field you are working

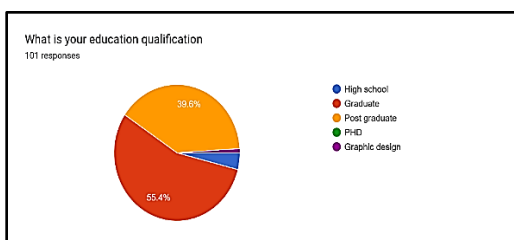


Figure 3: What is your education qualification

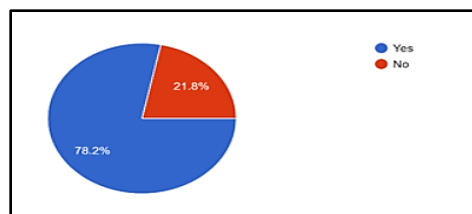
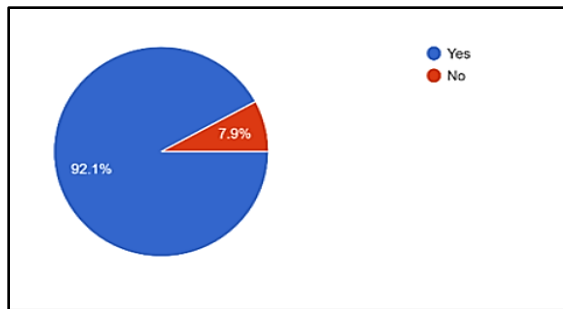
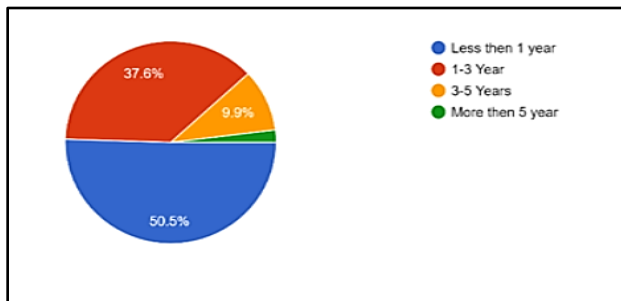


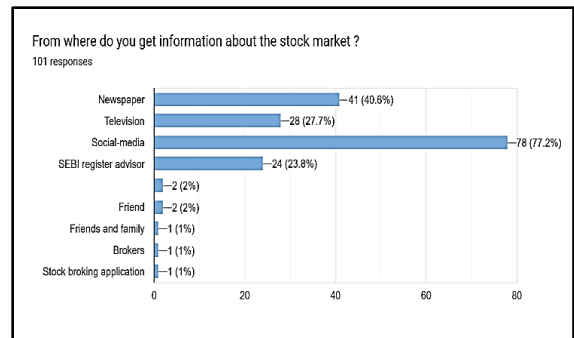
Figure 6: Are you gamillar with investment strategies or financial planning?



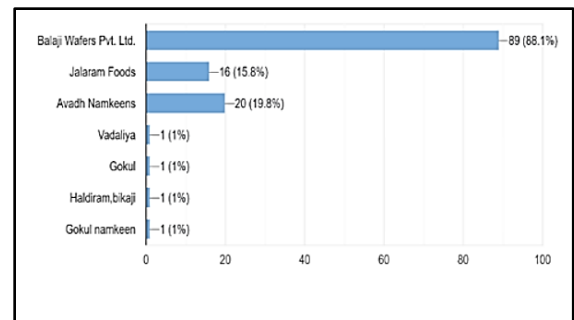
**Figure 7:** Are you aware of IPO (Initial Public offering)? (IPO is when company raise funds for first for first time through market)



**Figure 8:** How long have you been involved in stock market?



**Figure 9:** From where do you get information about the stock market?



**Figure 10:** What are brand that can give good competition to Gopal Snacks Limited's Share?

Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Sales & Revenue factor influence Gopal Snacks Limited's Share?	110	156	81	18	4
How strongly competitors effect Gopal business?	110	92	93	40	5
Innovation & Product development influence Gopal Snacks Limited's Share?	90	124	114	20	4
How important do you consider the company's quarterly financial performance in influencing stock prices?	130	112	96	22	4
How important are company announcements (e.g., new product launches, mergers) in influencing Gopal Snacks Limited's stock price?	150	108	78	20	8
How do broader economic conditions (e.g., inflation, interest rates) affect Gopal Snacks Limited's stock price?	100	108	108	22	7
Government policies influence Gopal Snacks Limited's Share?	105	88	126	22	5
Do you think social media and public perception affect the stock price of Gopal Snacks Limited?	125	132	81	14	9
Do you think global economic events (e.g., wars, pandemics) influence Gopal Snacks Limited's stock performance?	150	84	108	16	6

**H0:** There is no significant difference of the factors that affect the price fluctuation of Gopal Snacks Limited

**H1:** There is significant difference of the factors that affect the price fluctuation of Gopal Snacks Limited

<b>Anova: Single Factor</b>				
<b>Summary</b>				
<b>Groups</b>	<b>Count</b>	<b>Sum</b>	<b>Average</b>	<b>Variance</b>
Sales & Revenue factor influence Gopal Snacks Limited's Share?	5	369	73.8	4026.2
How strongly competitors effect Gopal business?	5	340	68	1929.5
Innovation & Product development influence Gopal Snacks Limited's Share?	5	352	70.4	3026.8
How important do you consider the company's quarterly financial performance in influencing stock prices?	5	364	72.8	3165.2
How important are company announcements (e.g., new product launches, mergers) in influencing Gopal Snacks Limited's stock price?	5	364	72.8	3553.2
How do broader economic conditions (e.g., inflation, interest rates) affect Gopal Snacks Limited's stock price?	5	345	69	2514
Government policies influence Gopal Snacks Limited's Share?	5	346	69.2	2802.7
Do you think social media and public perception affect the stock price of Gopal Snacks Limited?	5	361	72.2	3455.7
Do you think global economic events (e.g., wars, pandemics) influence Gopal Snacks Limited's stock performance?	5	364	72.8	3753.2

<b>Anova</b>						
<b>Source of Variation</b>	<b>SS</b>	<b>df</b>	<b>MS</b>	<b>F</b>	<b>P-value</b>	<b>F crit</b>
Between Groups	175.777778	8	21.97222	<b>0.007006</b>	1	<b>2.208518074</b>
Within Groups	112906	36	3136.278			
Total	113081.778	44				

<b>Components</b>	<b>9</b>
Sum of variance	11.40535242
Variance of total score	50.6513087
Cronbach's Alpha	0.871679369

*Test: Anova single factor*

### 5.6. Cronbach'S alpha

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. Cronbach's alpha is not a statistical test – it is a coefficient of reliability.

## 6. Findings

As Null hypothesis is accepted that means all those factors can affect the price fluctuations on Gopal Snacks Limited with its respective effects in the market. However, there are so many factors that affects the volatility in the market those are just some key elements are taken to know the results.

Almost all the factors affect the price of shares, but some factors have direct impact to the shares & some factors have indirect effect in the price fluctuation. As per this study we can say that the price of the share is dependent on so many variables like sales & revenue, announcements of the company innovation & product development. We can understand that the Global factor also impact of the Gopal Snacks Limited stock prices.

Government policies related to the FMCG sector will affect the price. Public opinion has also impact to the price changes because the Gopal Snacks Limited's Products are of regular uses of the public product acceptance & stability in the market will lead to the good results of the company. Investors perceptions toward financial statements are net profits are more important than revenue and debt level.

### 6.1. Limitations

1. Only 101 people have responded to the questionnaire.
2. Limited area of reach.
3. Use of manual method to calculate the test results
4. Inaccuracy of responses due to lack of awareness.

## 7. Conclusion

In the conclusion we can that price moment of Gopal Snacks Limited is fluctuating due to so many reasons. As we know that each stock which is listed in stock exchange is affected by the many reasons.

With the help of the data analysis the H0 is accepted that means there is no significance differences of factors that influence the price fluctuation in market. There is some list of factors like Company announcements, new products

lunch, sales & revenues, competitors, government policies related to FMCG sector, global causes, etc.

As we seen there are many factors influence the price moment in the market there will always volatility in the stock. If you have to invest in any stock you have to do market research at that time whatever the market conditions are will have its own different effects.

## 8. Source of Funding

None.

## 9. Conflict of Interest

None.

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