



A Study of Factors Influencing Consumer Purchase Decision of FMCG Products

Mr. Aman Singh

MBA 2nd Year (Marketing & Sales)

Amity Business School, Amity University Mumbai

Dr. Vishal Dilip Chavan

Assistant Professor

Amity Business School, Amity University Mumbai

Prof. (Dr.) Bhawna Sharma Padroo

Director-International Affairs & Programs,

Officiating HOI Amity Business School, Amity University Mumbai

ABSTRACT

The FMCG industry is an important part of the everyday life of individuals to whom the products are supposed to be consumed since the FMCG industry deals with the purchase of products that are consumed on a day-to-day basis such as food products, soft drinks, personal care products and other domestic necessities. With the level of competition growing and more brands entering the marketplace, the consumers are presented with a few choices, making it more difficult to make a purchase decision. Business firms are increasingly applying various marketing instruments including pricing marketing, branding marketing, promotional offers and advertisement to attract consumers and influence their buying behaviour the buying behaviour of the consumers.

This paper addresses the determinants of buying decision of the consumer within the FMCG industry by examining how the various factors such as prices, brand image, product quality and promotional activities affect the consumer choice as well as consumer buying behaviour. The research paper will

be based on primary data, which will be gathered through the questionnaires of 100 respondents and secondary data, which will be gathered by research papers and online sources of information on consumer behaviour and marketing.

The study results have revealed that the sensitivity to price, brand trust and the quality of the products and the product promotion plans are all important in influencing the purchasing behaviour of the consumers. It is further observed that the consumers tend to compare the products being purchased more readily and are also influenced by the adverts, social networking platforms and word of mouth. The paper highlights the significance of consumer behaviour to the firms since it will help them plan suitable marketing behaviours, customer satisfaction and competitive advantage in the FMCG sector.

Keywords FMCG, Consumer Behaviour, Purchase Decision, Brand Image, Pricing, Promotion, Consumer Preference.

1. Introduction

Fast-Moving Consumer Goods (FMCG) industry is one of the most important and rapidly growing in India and the entire world. It involves products that are used in the day to day lives such as food materials, beverages, personal care products as well as household needs. Consumers purchase such products more frequently and such products have a relatively low price which makes such products an important inseparable component of everyday consumption. FMCG industry has grown significantly over the years as the population has increased, the income has increased, and the lifestyle has changed.

The trend of consumer behaviour in the FMCG sector has adopted urbanization, rising awareness, and easy access to the products in the supermarkets, retail stores and online facilities in the recent years. The consumer is now equipped with numerous options and choices of products they may utilize and this allows them to make a purchase decision based on the price, quality, brand and the packaging. This has increased the competition hence forcing companies to adopt alternative marketing strategies to attract customers and influence their buying habits.

Strong promotional and marketing campaigns are also among the key factors that influence the buying behaviour of consumers within the FMCG sector. These techniques can be discounts, advertisement, attractive package, product placement, or other ways that a company uses to attract the attention of consumers and sell more products. These are targeted on awareness creation, brand image, and an encourage consumers to try new products by the consumers. In most cases, promotional offers and advertisements may also lead to impulse buying where the consumers make the impulsive purchases as a result of the attractive offers or product display.

Some of the factors that play a significant role in influencing the perception of consumers and their purchasing patterns in the FMCG market include price, product quality, brand image and availability. It is normal that consumers would desire the possession of products of good value and easy accessibility. Reliance to the brand and past experience also form important elements in the repeat purchase. At the same time, the sources that contribute to shaping the preferences and buying behaviour of the consumer are advertisements, the social media and peer influence.

The paper will target to identify the variables that influence consumer purchasing decisions in the FMCG market. It attempts to know how different parameters such as price, brand image, quality of products as well as promotional activities affect consumer behaviour. The consumer reaction and preference analysis provides useful data concerning the manner the companies could develop effective marketing programs and establish themselves in a highly competitive market.

2. Literature Review

- **Kotler and Keller (Marketing Management)**- Kotler and Keller explain that price, product quality, brand image and promotional activities are the factors that determine consumer purchase behaviour. Their research points out that the value of good marketing strategies can create value and manipulate consumer decisions in the FMCG industry.
- **Schiffman & Kanuk (Consumer Behaviour)** - According to the authors, the consumer behaviour is influenced by psychological, personal and social factors. In the FMCG industry, habitual purchase behaviour is common but such aspects as brand trust and perceived quality can affect repeat purchases.
- **Aaker (1991) - Brand Equity Theory** - Aaker focuses on brand equity and its role in affecting consumer behaviour. High brand image will be a boost in consumer confidence and decrease the price elasticity, so consumers will prefer to use the brand they know well in the FMCG market.
- **Gupta and Verma (2018) - Promotional Strategies in FMCG** - In their research, the authors reveal that discounts, advertising, special offers, etc. are considered the key tools of attracting customers and inciting them to buy the product. Brand switching behaviour may also be the result of these strategies.
- **Kumar and Singh (2019) - Consumer Preferences in FMCG Sector** - The study helps to recognize that the price, availability of a particular product, packaging, and brand reputation are some of the key determinants of consumer buying behaviours.

- **Solomon (Consumer Behaviour Theory)** - Solomon presents and explains that consumer buying behaviour is influenced by the combination of both internal (such as perception and motivation) and external (such as social influence and culture) factors particularly in products that are bought regularly such as FMCG.
- **Kotler & Armstrong (Principles of Marketing)** - The authors assert that aspects of marketing mix including product, price, place, and promotion are significant factors in consumer product choice in competitive markets such as FMCG.
- **Singh & Pandey (2018) - Impact of Advertising** - In their research, they indicate that advertising creates brand awareness and it also has a positive effect on consumer perception resulting in an increase in purchase intention.
- **Verma and Gupta (2020) - Role of Packaging** - The study indicates that consumer attention and choice of a product in the FMCG industry can be impacted by good packaging and proper product labelling.
- **Patel, Shah (2021) - Social Media Influence** - The paper describes in detail that social media marketing, online reviews, and online advertisements influence consumer perceptions and purchasing behaviour greatly.

3. Research Methodology

In this paper, the research design is descriptive, through which the factors affecting consumer purchases will be analyzed within the FMCG sector. The structured questionnaire used 100 respondents and a convenience sample which was used to collect primary data. The secondary data was collected by books, research papers, journals, and internet sources covering the topic of consumer behaviour and FMCG industry.

The obtained data was discussed with the help of simple percentage analysis and represented with charts and graphs. The approach assisted in learning consumer preferences and determining the critical factors of price, brand image, product quality and promotional activities that impact the decision to purchase in the FMCG industry.

1. Research Design

In this study, the research design will be descriptive research design in order to theorize the factors that affect the consumer purchase decisions in the FMCG industry. The type of research best suited in this study is descriptive research because it can be used to manage opinions, preferences and buying behaviour of consumers concerning products of daily usage like food items, personal care products, and household items. The study aims at examining the effect of various variables such as price, brand image, product quality as well as promotional activities on consumer decision making process.

2. Nature of Research

This is a quantitative and analytical research. It deals with the gathering of figures among respondents in order to realise the pattern and tendencies in the purchase behaviour of the consumers. To determine how the different factors influence the choice of consumers, the study examines the answers associated with certain factors like pricing, branding, and promotional strategies. This will aid in the development of clear and meaningful conclusions through the data on the ground.

3. Sources of Data Primary Data:

Primary data of this research was achieved using structured questionnaire that was administered to 100 respondents who usually buy FMCG products. The questionnaire contained questions concerning the consumer preferences, the brand preferences, the price sensitivity, and how the promotional activities influence their purchasing behaviour. The answers that are given guide information on consumer decision making processes.

Secondary Data:

The secondary data was obtained through the different sources like academic journals, research papers, books on consumer behaviour, industry reports, and online articles that address the FMCG sector. These sources were used to get insights into theoretical knowledge and prevailing studies on consumer purchase behaviour.

4. Data Collection Method

The information to support this research was gathered in the form of a structured questionnaire that was launched via Google Forms. The questionnaire was also created in a way that it would collect data on consumer awareness, tastes and purchase behaviour regarding the FMCG products. This technique was convenient, economical and enabled the respondents to take part without non-strenuous effort at various places.

5. Sampling Technique

The convenience sampling technique has been adopted in this study. The respondents were sampled through their availability and consent to take part in the survey. This research design was selected due to its ability to collect data within a short period of time with speed and effectiveness.

6. Sample Size

This study research will have a sample population of 100 respondents that shop frequently in the FMCG products. This size was determined to be adequate to examine the consumer behaviour and determine the major factors that determine the buying decisions.

7. Target Population

The population targeted in this study will be consumers who highly consume FMCG products (food products, drink products, personal care products and home products). The choice of these consumers is that they are directly involved in the regular purchases and hence are relevant in the study.

8. Data Analysis Technique

Simple percentage analysis was used to analyse data obtained in relation to this study. Presentation and organization of the responses were done through charts and graphs to facilitate easier interpretation. This approach served to determine the patterns, the comparison of responses and the way various factors affect consumer buying decisions in the FMCG industry.

4. Hypothesis Testing and Interpretation

Null Hypothesis (H0)

- Consumer purchase is not very much dependent on the price of the FMCG products.
- In the FMCG market, brand image has no huge influence on consumer purchasing behaviour.
- Promotions like appreciation, advertisement, and offers do not have a drastic influence on the consumer buying decision.

Alternative Hypothesis (H1)

- The cost of the products of FMCGs plays a significant role in determining consumer purchases.
- The brand image influences consumer buying behaviour through a positive effect in the FMCG sector.
- Discounts, advertisement, and offers are some of the promotional activities that have a significant impact on consumer purchasing choices.

Hypothesis 1: Price as a determinant of buy behaviour.

1. Many of the respondents reported the fact that they take the issue of price into consideration when buying the FMCG products. Consumers have a tendency of comparing prices before parting with two or more brands.
2. A few respondents also added that lower prices, discounts, and offers make them change their brand or prefer new products. Consumers who are price-sensitive particularly are more willing to buy a product which offers them a better price.

Interpretation:

The answers are a clear indication that price is a major factor to be considered in consumer buying behaviour in FMCG industry. These products are bought very often, and thus, any slight variations in prices can influence the consumer preferences. Hypothesis (H1) is therefore accepted meaning that price has a significant influence on buying behaviour.

Hypothesis 2: how Brand Image affects Purchase Behaviour.

1. During the purchase of FMCG products, many respondents mentioned that they tend to buy those that are familiar and reputable brands. Familiarity of brands gives a sense of confidence and decreases the tendency towards experimentation.
2. Many consumers also reported that they would purchase the same brand in case they are pleased with its quality and this demonstrates existence of brand loyalty.

Interpretation:

According to the findings, the brand image is a significant factor influencing customer preferences and buying behaviours. Consumers tend to prefer a brand that they trust and which they have already been exposed to. Therefore, the alternative hypothesis (H2) is approved, thus, brand image has a significant role in consumer behaviour.

Hypothesis 3: Effects of Promotion Activities on Purchase Behaviour.

1. Most of the respondents noted that promotional offers like discounts, advertisements and special deals draw their attention and make them purchase.
2. Part of the consumers also had an opinion that they tend to buy the products when it is on sales or when there is a good offer, even when it was not intended before.

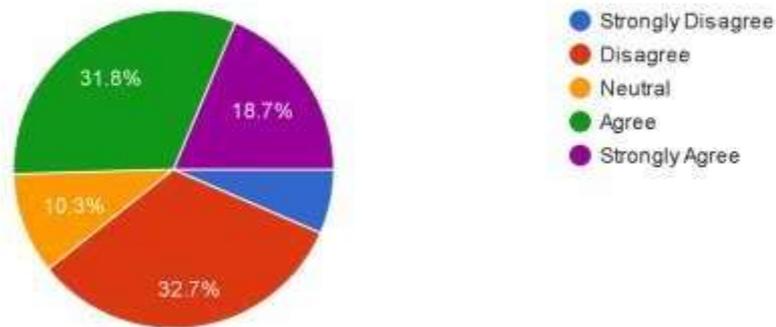
Interpretation:

The findings suggest that the promotional activities are very powerful when it comes to influencing the purchase decisions of consumers. Product visibility is enhanced through offers and advertisements interest is created among consumers which at times results in impulse buying. Thus, the alternative hypothesis (H3) is accepted and it demonstrates that promotional strategies have a significant impact on consumer behaviour.

5.Result and Discussion

Q2. Discounts and promotional price offers influence my FMCG purchase decisions.

107 responses



The pie chart above illustrates the views of the respondents about whether discounts and promotional price offers affect their purchasing behaviour in the FMCG industry. As a percentage; it may be noted that high percentage of those who responded are either in agreement or strongly agree with promotional offers playing a crucial role in their purchasing behaviour.

Major proportion of respondents expressed positive inclination towards discounts and offers and this demonstrates that price-based promotion will attract their attention and trigger them to buy products. The offers leave a sense of value money, and this is particularly significant in the FMCG industry where the goods are bought regularly.

Meanwhile, there was another group of respondents who were neutral meaning that although they are aware of promotional offers, they are not necessarily relying on them when making buying choices. A lower ratio of the respondents disagreed, and it shows that all consumers are not affected by discounts and might give more attention to other factors such as brand or product quality.

Overall, the findings indicate that promotional pricing tools are highly impacting consumer behaviour and contribute greatly to purchase decision in the FMCG industry.

INTERPRETATION

The results indicate that the discounts and price promotional offers are useful in making consumer purchase decisions within the FMCG industry. The considerable degree of congruence suggests that advertising programs (discounts, special offers, and price reductions) work at the level of attracting the attention of consumers and making them make the purchase decisions.

Nonetheless, the fact that some people expressed neutral and negative feedbacks indicates that not every consumer is equally determined by the promotional offers. There are consumers who might attach importance to brand image, product quality or like to their personal preference rather than discounts. This

means that though the promotional strategies are effective, their performance may be different based on the consumer behaviour and preferences of a particular consumer.

6. Conclusion and Recommendations

Conclusion

The paper notes that FMCG industry has a significant contribution towards shaping consumer buying behaviour, since they are consumed very often in day-to-day activities. Due to the growing competition and the vast variety of brands that consumers have access to, they are becoming more picky and their process of decision making becomes complex.

The results reveal that price is a significant determinant of consumer choices given the fact that majority of consumers compare prices and are willing to buy products that can give them value of money. Promotions and discounts also draw the consumers and make them willing to use the new products or change brands.

It is also reported in the study that brand image and product quality are equally significant. Consumers are also fond of recognizing and known brands, and repeat buying and brand loyalty are the results of positive past experiences.

Moreover, the advertisements and the offers in the form of promotional activities affect the consumer perception and may sometimes result in an impulse purchase. Nonetheless, consumers do not affect all buyers equally because some are much more concerned with quality and personal tastes than with promotions.

In general, the decision of consumers in the FMCG industry depends on price, brand, quality and promotion as a whole and any company needs to balance out these to stay competent in the market.

Recommendations

Good Pricing Strategies - It is important that FMCG companies embrace competitive pricing strategies which offer value of money to consumers. This is because price is a significant factor in the purchase behaviour and by providing affordable pricing and the occasional discount prices, the company will get a greater number of buyers.

Enhancement of Brand Image - Firms ought to aim at developing a good brand image using quality consistency, effective advertisement and customer confidence. An established brand has the potential to shape consumer behaviour and drive consumer loyalty in the long run.

Concentrate on quality of the product- Customer satisfaction and repeat purchase depends on high quality of product. When a brand performs well and delivers according to the expectations of the consumers, chances are high that they will remain loyal to the brand.

Promotion activities - Promotional strategies should be applied effectively to make consumers attracted by using discounts, offers and advertising campaigns. The strategies will assist in raising the product visibility and prompting trial purchase.

Enhancement of Product Availability - It is crucial to make sure that products are readily accessible both in the physical stores and online. The consumers love purchasing products that are easier to obtain; the absence of it can result in brand switching.

Using Digital Marketing - The companies ought to leverage better the digital platforms like the social media and online advertisements to impact consumer perception. Digital marketing aids in connecting to a greater number of people and building better brand recognition.

Knowledge of Consumer Preferences - FMCG companies ought to study consumer behaviour and preference regularly in order to ensure that they are able to adjust to the changing market trends. Knowing the needs of the customers can aid in the development of such better products and marketing strategies.

7. References

- **Kotler, P., & Keller, K. L. (2016). Marketing Management (15th ed.). Pearson Education.** The book is well grounded in the marketing concepts such as consumer buying behaviour, brand management and marketing communication of price and promotion which is important in determining the purchase decision in sectors such as FMCG.
- **Schiffman, L. G., & Kanuk, L. L. (2010). Consumer Behaviour (10th ed.). Pearson Education.** The authors describe the impact of psychological and social and personal factors on consumer decisions. The book can be helpful in the research of habitual buying behaviour of products not involving high involvement like FMCG.
- **Aaker, D. A. (1991). Managing Brand Equity. Free Press.** The study sheds more light on the significance of brand image and brand equity in determining the level of consumer trust, consumer loyalty and consumer purchase decisions, particularly in competitive market such as in FMCG.
- **Kotler, P., & Armstrong, G. (2018). Principles of Marketing (17th ed.). Pearson.** The book describes how the marketing mix components which include product, price, place and promotion influence consumer purchase decisions and behaviour.
- **Gupta, S., & Verma, H. (2018). Influence of Promotional Strategies on Consumer Buying behaviour in FMCG Industry.** This paper explains the role of promotional programs (discounts, advertising, offers) in influencing consumer choices and stimulating the purchase of brands and their transgression.

- **Kumar, V., & Singh, R. (2019). Factors that can determine the preference of consumers to FMCG products.**

The study identifies the following significant aspects that influence the consumer to purchase products in the FMCG segment; price, quality of the product, brand recognition and availability.

- **Solomon, M. R. (2015). Consumer Behaviour: Buying, Having and Being (11th ed.). Pearson.**

This book elaborates on the role of psychological and social aspects in the consumer behaviour and decision making.

- **Verma, S., & Gupta, N. (2020). The importance of Packaging in Consumer Purchase Behaviour.**

The research focuses on packaging, product design and labelling in appeals of consumers and their buying decisions.

- **Patel, K., & Shah, R. (2021). Effect of Social Media Marketing to Consumer Purchase Behaviour.**

This study describes the influence of online reviews, social media advertisements and digital platforms on consumer perception and purchasing behaviour.

- **Statista (2024). FMCG Industry and Consumer Trends. Obtained through [statista.com](https://www.statista.com).** This source will offer recent data and information on the FMCG market evolution, customer demands and trends of purchases.

- **FICCI (2023). FMCG Sector Report in India. Federation of Indian Chambers of Commerce and Industry.**

This report identifies market trends in the industry, industry growth and major forces driving consumer behaviour within the FMCG industry