

A Study on Factors Affecting Purchase Behavior of FMCG Consumers

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Highlights

- FMCG markets are highly competitive.
- Consumer choice often appears impulsive but is shaped by psychological, social, and economic factors

Abstract

This study looks into the purchasing habits of customers in the Fast-Moving Consumer Goods (FMCG) industry. The study investigates how demographics, promotional techniques, and product features influence consumer decisions. A survey of 447 FMCG customers was conducted, and the results were analyzed using descriptive statistics, mean, and z-Test. According to the study, price, quality judgments, and promotional stimuli all have a substantial impact on purchasing behavior. The z-test shows that there exists no significant difference in purchasing behavior between male and female. The study offers recommendations to FMCG marketers to create strategies that increase repeat purchases and foster strong brand ties.

Keywords: Purchase Behavior, FMCG Marketers, Consumer, promotional stimuli

Introduction

Fast-Moving Consumer Goods (FMCG) are commodities with low engagement and frequent buying periods such as food, personal care, and domestic items. Understanding how consumers choose what to buy and why they stick with specific brands is critical for tactical advertising and competitive positioning. It is a key idea in consumer behaviour research. The word encompasses the entire cognitive process, behaviors, and final choice to select a particular service or good over another. It also contains factors such as the choosing and buying processes, as well as the time frames associated with it. Purchase behavior analysis is required to understand customers' needs, perceptions, and attitudes in order to achieve exceptional sales success. Customers are the changemakers and decision-makers in today's marketplace.

Literature Review:

- Howard and Sheth (1969) defined purchasing behaviour as the end result of a complex decision-making process influenced by a variety of cultural, ecological, and emotional factors.
- Engel, Blackwell, and Miniard (1995), found that personal, social and psychological, aspects have a significant effect in customer choices.
- According to the study of Schiffman and Kanuk (2007), family, cultural factors, personal experiences, reference groups and all have a substantial impact on purchasing decisions.
- As per Kotler and Keller (2016), customer behavior is influenced by various elements, including desires, necessities, and marketing methods, while making purchasing decisions
- Kumar, A., & Gupta, R. (2020), in their study found peer recommendations, advertising, and promotions strongly influence customer decisions in emerging countries such as India.

Conceptual Model on factors affecting Purchasing behaviour of FMCG Consumers

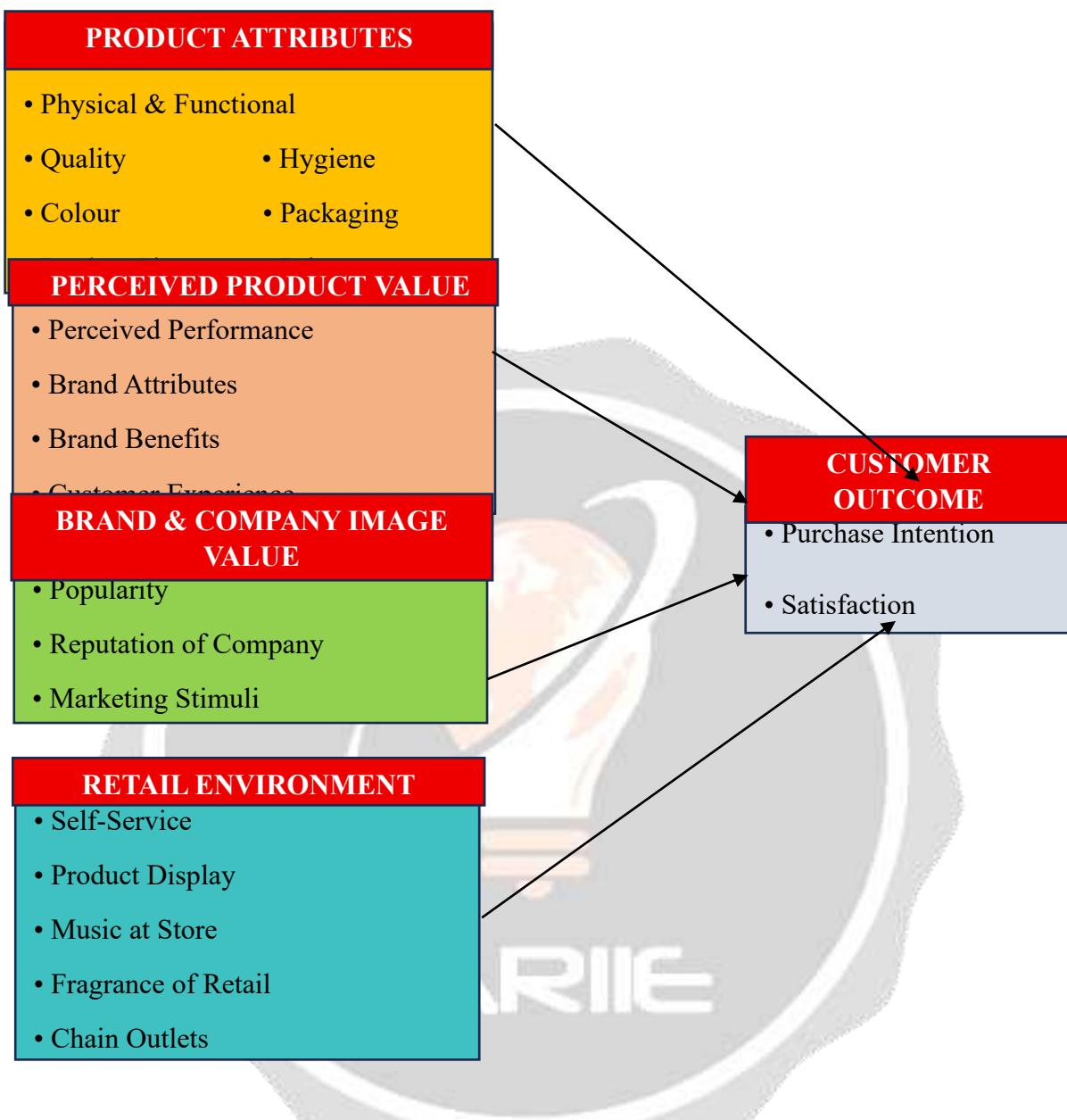


Fig 1. Conceptual Model on factors affecting Purchasing behaviour of FMCG Consumers

On the basis of literature review, above factors affecting purchasing decision were identified and data was collected considering these factors.

Objectives

1. To identify the key factors influencing purchase decisions in FMCG.
2. To develop a conceptual model depicting factors affecting purchasing decision.
3. To offer recommendations for improving repeat purchase rates.

Hypothesis

H0: There is a significant difference between purchasing decision of male and female

Research Methodology

- **Type:** Descriptive Study
- **Data Collection:** Mixed-methods (Structured questionnaires for quantitative data; depth interviews for qualitative insights).
- **Sampling:** The universe of the sample consisted of the consumers who are using FMCG products with in the age group (20-25 above) and income group (Rs 500-5000 above). The purposive sampling method was used to select the total sample of 500 respondents from the state of Madhya Pradesh representing districts of Indore, Mandsaur and Neemuch. The final sample of 447 respondents was drawn after screening, sorting, eliminating the incomplete responses
- **Tools:** Mean, z-Test

Data Analysis

- **Reliability Test:**

Table 1: Reliability Statistics

Cronbach's Alpha	No. of Items
0.947	18

Cronbach's alpha test was conducted for testing the validity of the instrument. The Cronbach's alpha came as 0.947 as shown in table 1, thus the instrument was considered to be reliable for the study and provide green signal for conducting further research which means that the scale for measuring factors which affect purchasing decison was reliable. So now, different statistical tools can be applied and tested for meeting the objectives of the research

❖ Consumer Profile

- **Gender:** 52% Male, 48% Female
- **Age Group:** Major segment 20-25 years
- **Income Distribution:** Middle-income majority

❖ Purchase Behavior

Table 2: Item wise Mean Values of student's responses pertaining to Factors affecting Purchasing Behavior of Customer

S. No.	Factors affecting Purchasing Behavior of Customer	Mean Score
1	The product performance creates my brand loyalty in FMCG products	2.18
2	The quality of my brand satisfies me.	2.15
3	My brand maintains high and consistent physical and functional quality	2.49
4	Comparing with other brands my brand is most popular and hygiene.	2.25
5	The colour and packaging of my brand is very attractive.	2.22
6	I evaluate my brand based on perceived performance.	2.28
7	The brand attributes and benefits keep me confident.	2.30
8	If this brand were to raise its prices, I would still continue to purchase its products.	2.40
9	I believe the reputation of the branded company.	2.27
10	Self-service at the store impacts buying preferences	2.26

11	There is a sufficient display of products in-retail store information.	2.39
12	The creative and systematic arrangement of product displays at retail chain outlet helps me in the selection of product.	2.32
13	Listening to music creates a relaxed atmosphere while shopping.	2.42
14	Fragrance of the retail chain outlets makes me to stay more time.	2.34
15	Product Size impacts purchase behavior.	2.34
16	Good products always show up in the new arrivals section affects purchase behavior.	2.21
17	Promotions at the store influences purchase behaviour.	2.32
18	A good experience forces me to visit again.	2.15

Interpretation: A highest mean value i.e. 2.49 to the statement, "My brand maintains high and consistent physical and functional quality" depicts high and consistent physical and functional quality is the reason of brand loyalty towards the product they purchase.

Hypothesis

H0: There is no significant difference between purchasing decision of male and female

Table 3: Calculation of z-Test

<i>z-Test: Two-Sample for Means</i>	<i>Male</i>	<i>Female</i>
Mean	2.310390484	2.262290806
Known Variance	0.0096	0.0106
Observations	18	18
Hypothesized Mean Difference	0	
z	1.435829049	
P(Z<=z) one-tail	0.075525496	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.151050992	
z Critical two-tail	1.959963985	

Interpretation: On interpreting the above table, it can be inferred that calculated value of $p = 0.151$ is higher than significance level of p i.e., 0.05 thus, it can be concluded that there is no significant difference between purchasing behavior of male and female.

Limitations of study

- Geographic samples may not accurately reflect national patterns
- Self-reported data is prone to response bias.

Conclusion & Recommendations

The study concludes that customer buying decisions in FMCG is mainly driven by both price and quality. To increase consumer commitment, effective marketing tactics must strike a balance between cost, assurance of quality, and loyalty rewards.

Strategic Recommendations for FMCG Marketers



Fig 2: Strategic Recommendations for FMCG Marketers

- ❖ **Bridge the "Perceived Performance" Gap**
 - **Authenticated Proof over Promise:** In 2026, consumers are suspicious of high-level marketing, emphasizing proof over promises. Brands should give concrete evidence of performance (for example, QR codes on packaging that lead to "third-party laboratory certificates or real-life" testing videos)
 - **Clean Labels:** Simplify ingredient lists to improve "Hygiene" and "Quality" views. Use machine-readable "Clean Labels" for AI shopping agents, which are used by 24-25% of consumers to filter products.
- ❖ **Create "Phygital" Retail Environments**
 - **Sensory Branding:** Coordinate music, fragrance and display to create an integrated sensory experience. For example, in retail aisles, utilize trademark scents which complement the item's fragrance to increase "sensory recall" and prevent brand switching.
 - **Maximise Hyper-Local Relevance:** By synchronizing retail displays with the local environment via APIs. On a polluted day, emphasize the display of anti-allergic or hygiene-oriented FMCG products to fulfil immediate customer needs.
- ❖ **Develop Pricing and Promotional Strategies:**
 - **Focus on Value Seeker:** As 47% of worldwide consumers are "value seekers," it's important to avoid constant price increases. To sustain volume without reducing profits, consider Dynamic Bundling, which involves coupling a frequently used product with a novel trial product.
 - **Gamified Loyalty:** Go beyond simple points. To keep Gen Z and Millennial consumers interested, introduce tiered loyalty programs (Bronze, Silver, and Gold) that give "Instant Gratification" perks such as digital wallet cashbacks or OTT subscriptions.

4. Strengthen Brand-Associated Factors

- **Heritage and Emotional Branding:** Use reminiscence and "Inherited Loyalty" (family customs) in advertisements to build emotional and heritage branding. When a brand appeals to faith and family values, 70% of consumers express a strong desire to repeat business.

- **Integration of Influencers:** Transition from one-time celebrity advertisements to "Always-On" micro-influencers. To encourage impulse sales, use platforms such as TikTok and Instagram to showcase "unfiltered" usage demonstrations (for example, 5-second taste tests or rapid cleaning techniques).

5. Integrate Data and AI for Personalization

- **360-Degree Consumer Perspective:** Utilize AI-powered social listening techniques to monitor real-time changes in "Popularity" and "Public Image."
- **Predictive Replenishment:** Use data to deliver targeted promotions or "one-click" reorder links via WhatsApp or SMS in order to keep customers away from moving to competitors in-store.

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