



## To Study the consumer buying behaviour in FMCG Sector

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**Abstract:** Customers' psyches are being shaped by the prevalence of social media. Consumers are reacting to this by changing their buying habits. Without the aid of digital technology and social networking, the creative effort of product marketing would remain undone. Digital marketing networks have replaced social media networks. By deciding which social networking sites best suit their own needs, internet users are creating their own unique digital culture. FMCG firms have concluded that digital technology should be employed in all aspects of marketing and operations. They lucked out. In almost every corner of India, you'll find people using some kind of digital technology. They're getting favourable feedback, and customers are talking about their positive experiences with the product with one another, which is influencing consumers to change their buying habits.

**Objective:** Purchase decisions are influenced by a number of terms. The paper attempts to gain the in-depth knowledge of the purchase decisions. The main objective of this study is to find out the relationship of consumer buying behaviour (purchase decisions) with brand decisions and Packaging decisions.

**Method:** A self-constructed questionnaire will be constructed and responses will be collected from the respondents. The collected responses will be analysed using SPSS and the needed tests will be performed to achieve the objective of the paper.

**Findings:** The study found that there lies a strong relationship between the three, so these findings suggest that brand considerations and packaging preferences play significant roles in the purchase decisions made by the respondents.

**Keywords:** Consumer behaviour, consumer purchases, consumer goods, global FMCG enterprises, India's economy etc.

### Introduction

What people purchase, what they desire, and how they interact with brands and organisations are all topics that fall under the umbrella of consumer behaviour, which is the study of these topics. It is vital to have a solid understanding of consumer behaviour in order to predict how prospective consumers will react to a new product or service. It also aids businesses in capitalising on possibilities that are currently being missed. Any form of marketing effort requires a firm grasp of this idea. The factors that influence consumers' final decisions on which products to purchase. What factors affect consumers' purchase decisions, and what factors are responsible for such changes? It shows that you analysed your consumers' behaviours and responses in depth. The consumer is the bedrock of every successful company. If they want widespread consumer approval and happiness, marketers need to pay close attention to what consumers really see, think, want, and purchase.

### Growth of FMCG in India:

By 2014, analysts predict that India's consumer goods sector would be worth \$400 billion. The chocolate and confectionary, hair care, home care, male grooming, and female hygiene markets are predicted to grow at the fastest rates during the next several years. Currently, 66% of India's fast-moving consumer goods (FMCG) consumption comes from urban areas, while 34% comes from rural areas. However, over 40% of India's core fast-moving-consumer-goods categories are consumed in rural regions. Personal care items, laundry detergent, and warming beverages all fall under these classes. The home and personal care market, which includes items like sanitary napkins, face wash, and cleaning supplies, is expected to grow at enticing rates in urban areas. It

is expected that processed foods, bakery items, and dairy products will be the fastest-growing subsectors of the food industry during the next few years.

The retail industry is the only service industry that makes a major contribution to GDP, and it is also the largest. As both international and domestic retailers in India take tentative steps into the market, the retail boom in the country has acquired speed, vibrancy, and transience. This is because of competition from outside the country. Those that have just recently entered the market are also adjusting their methods in order to keep up with the times.

According to the Indian FMCG Industry Report, the market for FMCG is expected to expand by 21% between 2016 and 2020. (The Indian Foundation for Brand Equity). By 2020, is expected that modern shopping will have reached a new level of popularity. Analysis of historical trends has shown that two of the key objectives are increasing people's knowledge and making it easier to acquire and change lifestyles.

### **Identifying and Discussing Contributing Factors for FMCGs**

The research looked at the factors that lead urban Indian customers to make a purchase. retailer accountability for manufacturers' production standard, managerial efficiency, promotional capacity, and customers' solution capability was identified in the fast-moving consumer goods (FMCG) market. used factor analysis to identify the 24 most important factors in explaining purchasing choices made by rural clients in southern India. The research was conducted in the southern part of India. We looked into the FMCG market's dynamics and discussed the sector's distinguishing features and key performance indicators. Considering that foreigners make up the bulk of the population in the United Arab Emirates, scientists looked at the influence trademarks have on shoppers. No matter how hard the firm works, it will never be able to make enough money until it learns what its customers want. A corporation may better serve its customers and gain market share when it has a deep understanding of those customers' wants and needs.

### **Impacting Aspects on Consumer Purchasing Behaviour**

We don't simply think about whether or not to purchase anything; we also think about who to buy it from. Some societies are more prosperous than others, and as a result, its members can afford to shop more often and in larger quantities. The typical customer in a developing country can only afford to meet his most basic needs. In order to better understand their target demographics and the demands of their target customers, firms must first perform in-depth investigations of both their internal and external environments. Although the study of consumer behaviour in management is one of the oldest academic subfields, management itself is a relatively new contribution to the scientific community. A plethora of academicians and researchers only started paying attention to it much later. The concept of marketing did not fully develop until the 1950s, and with it came the understanding of the need of studying consumer habits.

The Fast-Moving Consumer Goods (FMCG) business is one of India's fastest-growing sectors, having shown remarkable growth over the last decade. Subsectors within this business include those dealing with personal care, household care, and food and drink. When people talk about personal care, they usually mean items like toothpaste, shampoo, conditioner, deodorant, soap, and makeup. Household care products include detergents and disinfectants. Items such as health drinks, soft drinks, cereals, dairy products, bakery goods, and so on fall under the umbrella term food and beverages. The fast-moving consumer goods (FMCG) industry is a significant driver of employment and economic growth in India and the world. In addition, the downstream operations of this business employ close to three million people. These kinds of activities often take place in the rural and less populated parts of India.

### **Complex Buying Behaviour:**

The individual in issue doesn't care about technical specifications like the product's K. memory, disc storage capacity, or screen resolution. The buyer will build beliefs about the product, then develop an attitude toward the product, and lastly make a buying decision after giving the matter much thought. The key to successfully marketing a high-involvement product is knowing how your target demographic gathers and evaluates information. The marketer must devise means of informing the buyer about the qualities of the product class,



the importance buyers assign to those traits, and the reputable reputation the company's brand has in relation to those attributes. The marketer has to disentangle the features and benefits of the brand, focus on print media and develop extensive content to emphasise those features and benefits, and inspire the sales team and the buyer's social circle to have an effect on the buyer's ultimate decision.

### **FMCG products:**

Due to either strong customer demand or quick product deterioration, the shelf life of fast-moving consumer goods (FMCG) is frequently not very long. Meat, produce, dairy, eggs, and baked goods are just few examples of consumables that spoil quickly. There are, however, some product categories that see substantial turnover, including alcoholic beverages, personal care products, ready-to-eat meals, carbonated beverages, and cleaning supplies.

While the profit margin on fast-moving consumer goods (FMCG) items is often rather low (this is more likely to be the case for retailers than for the producers or suppliers), the cumulative profit on such products may be quite substantial due to the high number of sales. Companies in the fast-moving consumer products industry are often used as the prototypical example of those that operate on tight profit margins while selling in massive volumes.

### **Types of FMCG Products:**

Within the FMCG industry, there are four distinct product categories:

#### **Domestic and individual health care:**

Household care items are goods created for the sole purpose of assisting in the maintenance and cleanliness of private residences. It may be used as a laundry detergent or a general-purpose cleaner around the home. Items like laundry soaps and synthetic detergents go under the category of fabric wash, whereas products like utensil cleaners, floor cleaners, and toilet bowl cleaners fall under the category of house cleansers. Personal care products have a wide range of uses, from maintaining healthy teeth and gums to washing away sweat and stink.

**Food:** Cereals, bakery products, snack foods, chocolate, ice cream, wheat, sugar, and many more foods fall under this umbrella term.

**Beverages:** Juices, tea, coffee, a variety of health drinks, hot water, soft drinks, and so on all fall into this category.

### **Scope of FMCG Products:**

**Increase in the demand of beauty products:** The beauty industry in India has seen consistent growth over the last several years. Men, like women, pay close attention to how they look and take care of themselves in general. Many companies are actively working to provide products that meet their needs. Therefore, the market anticipates a high level of success.

Large amounts of people living in rural areas: the market's demand from and potential in rural areas is great. Therefore, these industries have substantial expansion potential.

**Opportunity in semi-urban market:** There is a sizable market for beauty products in the semi-urban area. Customers who buy from them expect to get well-known brands and premium goods.

**remote areas with latent potential:** Cosmetics have a large potential audience in India, especially in the country's more remote regions. These companies are sitting on a treasure trove of opportunity.

#### **Shifting Consumer Attitudes in India**

Indian consumers' lifestyles and purchasing habits are being profoundly affected by the rapid pace at which they are adopting urban consumer goods. People who live and work in cities increasingly depend on convenience foods that don't need lengthy cooking times. Because of this, people spend less time preparing

meals and tidying up. The trend now appears to be toward buying in bulk from hypermarkets rather than making frequent journeys to the neighbourhood market, store, or vendor. More and more people are opting to visit shopping centres rather than the many establishments in their immediate vicinity.

### Research Methodology

200 New Delhi locals were asked to fill out a self-administered questionnaire for a study. The questionnaire was sent by the electronic medium to the respondents. Primary data was gathered using a stratified random sampling method. After compiling the data, SPSS V27 was used to perform the necessary regression analysis and correlation. Cronbach's alpha will be used to determine the validity and reliability of the questionnaire. Relationships among Purchase Decision, Brand Decision and Packaging Decision were evaluated using the Pearson correlation test in the "To study the consumer buying behaviour in FMCG Sector".

### Reliability Analysis

Case Processing Summary		
		N
Cases	Valid	200
	Excluded	0
	Total	200
Reliability Statistics		
Cronbach's Alpha		N of Items
0.990		19

From the above table it can be inferred that we have obtained a score of 0.990 which is considered as an excellent score. Hence, we have an excellent, valid and reliable set of variables.

### Data Analysis:

#### Demographic:

Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	110	55	55	55
	Female	90	45	45	100
Qualification	School Level	40	20	20	20
	Graduate	70	35	35	55
	Post-Graduation	50	25	25	80
	Others	40	20	20	100
Age	Below 25 Years	80	40	40	40
	25-35 Years	40	20	20	60
	35-45 Years	40	20	20	80
	Above 45 Years	40	20	20	100
Occupation	Service	60	30	30	30
	Business	50	25	25	55
	Home Maker	40	20	20	75
	Student	50	25	25	100



The presented frequency table provides information on a number of demographic categories, such as gender, education level, age range, and employment status.

In terms of sex, the breakdown in the table shows that 55% of respondents are men and 45% are women. The sample population reflects this split, consisting of 110 men and 90 girls.

According to the statistics, 35% of respondents have a bachelor's degree or above, 25% have advanced degrees beyond a bachelor's, and 20% have no formal education beyond high school. According to these numbers, 40% of the population has completed high school, 70% have completed college, 50% have completed graduate school, and 40% have completed some other kind of post-secondary education.

When broken down by age, the table reveals that 40% of respondents are under the age of 25, while 20% are between the ages of 25 and 35, and 20% are between the ages of 35 and 45, respectively. A total of 200 respondents (40 from each age bracket) make up the sample.

As a last occupation, we learn that 30% of respondents work in some kind of service role, 25% are in some sort of business role, 20% are homemakers, and 25% are students. Based on these numbers, there should be 60 people working in service industries, 50 in business, 40 at home, and 50 in school.

**Results:**

Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Frequency of FMCG product purchase	Daily	70	35	35	35
	Twice in a week	50	25	25	60
	Weekly	50	25	25	85
	Monthly	30	15	15	100
Factors Influencing Purchase Decision	Self	40	20	20	20
	Friends/Family	60	30	30	50
	Advertisement	80	40	40	90
	Others	20	10	10	100
Sources of information influenced purchase	T.V Advertisement	60	30	30	30
	Radio	30	15	15	45
	Friends	40	20	20	65
	Internet	40	20	20	85
	Printed Media	30	15	15	100
Mode of the Purchase	Retail Shop	90	45	45	45
	E-Market	70	35	35	80
	Super Market	40	20	20	100
Preference of Pack:	Home Pack	80	40	40	40
	Sachet	120	60	60	100

Fast Moving Consumer Goods (FMCG) purchasing data covering a wide range of metrics is included. There are four distinct categories for how often consumers buy fast-moving consumer goods. Three-fifths or so of those polled said they regularly buy fast-moving consumer goods. About a quarter of respondents said they bought them once a week, and another quarter said they bought them twice a week. Fifteen percent of those who participated in the survey said they regularly bought FMCG items.

Respondents were given a wide variety of choices about the elements that play a role in their final purchasing decisions. About 20% said they relied on their own personal tastes while making a purchase. Thirty percent of respondents cited the effect of friends and family, demonstrating the substantial role they played. Forty percent of respondents said that advertising had a role in their buying choices. Ten percent of answers were attributable to variables that were not included in the data set.

Respondents may choose from a number of options when it came to the kind of information sources that affected their final purchases. Thirty percent of respondents pointed to television commercials as a source of influence, whereas just fifteen percent cited radio commercials. Twenty percent of respondents said they learned about the topic via friends, while other twenty percent said the internet had a role. Fifteen percent of those polled said they got their facts from newspapers and periodicals.

The information also sheds light on how people shop for fast-moving consumer goods. Nearly half of those polled said they had purchased these items from a store. 35% of shoppers preferred online marketplaces, whereas 20% shopped only at supermarkets.

At last, the preferred packaging alternatives were assessed. Only 40% of respondents said they would rather have their products sent in a home pack, while 60% said they would rather have them delivered in sachets.

**Correlation:**

Correlations				
Variables		Purchase Decisions	Brand Decisions	Packaging Decisions
Purchase Decisions	Pearson Correlation	--		
	N	200		
Brand Decisions	Pearson Correlation	.990**	--	
	Sig. (2-tailed)	0		
	N	200	200	
Packaging Decisions	Pearson Correlation	.972**	.976**	--
	Sig. (2-tailed)	0	0	
	N	200	200	200

Three variables—Purchase Decisions, Brand Decisions, and Packaging Decisions—are correlated in the supplied correlation matrix.

The degree and direction of a link between two variables may be determined by calculating their correlation coefficient. There is no connection if the number is 0, and a perfect positive or negative correlation if it is 1.

The link between choosing a certain brand and making a purchase is quite high ( $r = 0.990^{**}$ ). This shows that respondents' brand preferences have a significant role in their purchasing choices. A two-tailed test indicates that the association is significant ( $p < 0.01$ ). The correlational sample size is 200 data points.

Similarly, there is a robust positive association ( $r = 0.972^{**}$ ) between Purchasing and Packaging choices. This suggests that the tastes of the respondents in terms of packaging have a significant role in their purchasing choices. There is also a statistically significant association ( $p < 0.01$ ). The correlational sample size is 200 data points.

Furthermore, there is a significant positive association ( $r = 0.976^{**}$ ) between Brand Decisions and Packaging Decisions. This provides more evidence that consumer packaging choices strongly influence consumer brand preferences. There is a significant relationship between the two variables ( $p < 0.01$ ). There were 200 participants in the correlation study.

Both Brand Decisions and Packaging Decisions are positively correlated with Purchase Decisions, according to the findings. Moreover, Brand Decisions and Packaging Decisions are positively correlated. These results indicate that consumers place a high value on brand awareness and preference in packaging when making purchases.



### Conclusion

There is a lot of room for growth in the fast-paced consumer goods market. A customer's choice to purchase a fast-moving consumer good is mostly determined by two factors: quality and price. In addition to price and convenience, consumers are influenced by additional aspects such as the availability of alternative alternatives, fair pricing, replacement, delivery, a credit facility, the availability of a particular brand, the accessibility of the shop, and the availability of a certain brand. Following a purchase, a customer may make more purchases, lodge complaints, recommend a product to others, switch brands, provide feedback, or join an online community of other customers. It has been established that the goods and services tax (GST) does not significantly affect shoppers' final selections.

Marketers in the countryside need to become more innovative with their advertising and make sure their fast-moving consumer goods last a long time in storage. An estimated 12.6 trillion Indian rupees, or \$185 billion US, is spent annually on fast-moving consumer goods (FMCG) in India. By 2020, analysts predict that India's fast-moving consumer goods (FMCG) market would be worth 1,300 billion rupees. A research was done in four different districts of Tamil Nadu, and factor analysis was utilised to find the most important factors at play. Green marketing is becoming more popular among businesses, who are using eco-branding, eco-labelling, and environmental advertising to better inform consumers and help them make informed purchasing choices.

Consumers in India tend to buy just a modest quantity of fast-moving consumer goods (FMCG), leading to a highly concentrated market in both urban and rural regions. Customers in rural areas are quite pleased with both the dominant brand image and the quality of the goods they purchased. Consumers of fast-moving consumer goods (FMCG) base their purchases on product quality and brand loyalty, according to this study. They interact with store clerks and find out the most about the products via television commercials. Marketers need to come up with a new approach that integrates loyalty programmes and information in a capsule to combat this variety seeking behaviour.

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