

A Study on Consumer Buying Behaviour of FMCG Products

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This study examines the factors influencing consumer buying behavior in the Fast-Moving Consumer Goods (FMCG) sector, a vital component of the global economy characterized by frequent purchases and low-involvement decision-making. The primary objective is to analyze the key factors shaping consumer behavior in this sector, including demographic variables, brand loyalty, pricing, product quality, and consumer preferences. FMCG products play an essential role in people's daily lives, offering personal benefits and convenience. The analysis highlights that FMCG brands are well-positioned to enhance consumer satisfaction

through high-quality products and easy accessibility. Primary data was collected through a questionnaire from 25 consumers. The study reveals that age, gender, educational qualifications, and occupation do not have a statistically significant association with FMCG buying behavior. The research utilizes frequency analysis, percentage analysis, and rank analysis as key analytical tools.

Keywords: Consumer Buying Behaviour, Brands, Pricing, Quality, Good Service.



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1. INTRODUCTION

The Fast-Moving Consumer Goods (FMCG) sector is one of the largest and most dynamic industries worldwide. It encompasses a broad range of essential products used in daily life, including food, beverages, personal care items, and household goods. FMCG products are characterized by their frequent purchase cycle, rapid consumption, and relatively low cost. These

products are designed for immediate or shortterm use and are typically replenished within days, weeks, or months, with most being consumed within a year.

FMCG products are also known as Consumer-Packaged Goods (CPG) due to their quick turnover and widespread availability. Some of these goods, such as meat, fruits, vegetables, dairy products, and baked goods, are highly perishable, requiring efficient distribution and storage to minimize waste. Others, such as prepackaged foods, soft drinks, and cleaning supplies, have a high turnover rate due to continuous consumer demand. The sheer volume of sales in this industry reflects its significance in both developed and emerging markets.

The FMCG category includes a diverse range of products, such as toiletries, soaps, cosmetics, oral hygiene products, shaving essentials, and detergents. It also extends to nondurable consumer goods like glassware, bulbs, batteries, paper products, and plastic goods. Additionally, FMCG often covers packaged food products and beverages, though these are sometimes classified separately based on market segmentation.

Globally, several well-established companies dominate the FMCG sector. Some of the largest and most recognized FMCG brands include Nestlé, Hindustan Unilever Ltd, Britannia, Marico, Colgate, Godrej, Coca-Cola, Nirma, Cadbury India, and Dabur India. These companies have extensive distribution networks and strong brand equity, allowing them to maintain a competitive edge in the market.

India has a rapidly growing FMCG sector, which serves as a key pillar of its economy. Some of the major Indian states contributing to this industry include Tamil Nadu, Maharashtra, Uttar Pradesh, Punjab, and Karnataka. The sector's growth is primarily driven by rising disposable income, urbanization, changing consumer preferences, and increased digital penetration.

The Indian FMCG industry is expected to grow at a sustained rate of 7-9% in 2024, supported by favorable government initiatives such as the Goods and Services Tax (GST) reforms, rural development programs, and digital retail expansion. The sector currently ranks as the fourth-largest industry in the Indian economy, highlighting its immense economic impact.

Understanding consumer buying behavior is crucial for businesses in the FMCG sector. Consumers' purchasing decisions are influenced by a variety of factors, including brand perception, pricing, convenience, advertising, product quality, and personal preferences. Unlike highinvolvement products (such as automobiles or electronics), FMCG products typically involve lowinvolvement decision-making, meaning that purchases are often impulsive, habitual, or based on brand familiarity rather than extensive research.

Given the competitive nature of the industry, FMCG companies constantly analyze consumer behavior to optimize marketing strategies, enhance customer satisfaction, and increase brand loyalty. This study aims to explore the various factors shaping consumer buying behavior in the FMCG market, providing insights that can help businesses tailor their offerings to better meet consumer needs.

2. OBJECTIVES OF THE STUDY

- To analyze the key factors influencing consumer buying behavior patterns in FMCG products.
- To evaluate the role of brand loyalty, product quality, and pricing in shaping consumer preferences.
- To examine the effectiveness of promotional strategies in influencing consumer behavior.
- To identify the challenges associated with consumer buying behavior in the FMCG sector.

3. REVIEW OF LITERATURE

Raghuram et al. (2022), in their study "A Study on Consumer Buying Behaviour of FMCG Products," emphasize the significance of FMCG products in consumers' daily lives. These products provide personal benefits through accessibility and quality. The study examines consumer behavior towards FMCG products, using the Chisquare test to evaluate the association between demographic variables (age, gender, education, and occupation) and purchasing behavior. Factors such as brand ambassador influence, brand reputation, health considerations, product quality, and price were analyzed to understand their impact on consumer decisions. The findings suggest that FMCG brands must prioritize service quality and accessibility to enhance consumer satisfaction.

Dr. R. Jayanti (2023), in their study "Fast-Moving Consumer Goods (FMCG) Sector in India," explores the FMCG industry, which consists of lowcost products with high turnover rates. The study highlights that FMCG is the fourth-largest sector in the Indian economy, valued at USD 49 billion as of 2016 (as per IBEF). It is segmented into three primary categories: Household & Personal Care (50% of the market), Healthcare (32%), and Food & Beverages (18%). Among Household & Personal Care products, hair care accounts for 23%, oral care 15%, home care 6%, and skincare 5%. The study also discusses credit appraisal as a process used by financial institutions to assess the economic viability and creditworthiness of borrowers in the FMCG industry.

Shambhavi Tamrakar (2015), in her study "A Study on Retail FMCG Marketing in Rural India," examines the growing potential of rural markets for FMCG companies. As the fourthlargest sector in India, the FMCG industry sees significant opportunities for expansion in rural areas. The study highlights that the rural FMCG market is currently valued at approximately USD 9 billion annually, with rural India accounting for 70% of the country's population and one-third of the total FMCG market. According to a Nielsen report, the rural FMCG market is projected to grow tenfold to USD 100 billion by 2025, presenting substantial opportunities for leading brands.

C. Somashekar et al. (2016), in their study "Marketing Strategies of FMCG Companies," suggest that rural consumers place significant trust in local retailers. The research reveals that rural consumers consider factors beyond price, such as quality, performance, reliability, and brand reputation, when making purchasing decisions. The study recommends that FMCG companies focus on rational marketing strategies rather than solely relying on low-price appeals to attract rural consumers.

A. M. Sharanya (2017), in her study "A Study on Rural Marketing Perspective of Fast-Moving Consumer Goods (FMCG)," analyzes consumer preferences, primary data on particularly among women, who play a dominant role in FMCG purchase decisions. The study finds that women consumers increasingly demand specialized and customized FMCG products. This trend necessitates greater investment in product research and innovation by FMCG companies. The research emphasizes the importance of advertising campaigns, brand promotions, free samples, and franchise expansion to increase consumer awareness and engagement in rural markets.

Rosy Dhingra (2018), in her study "Performance Analysis of FMCG Sector in India," examines the impact of economic growth and digitalization on the FMCG sector. The Indian economy, one of the world's largest and fastestgrowing, has witnessed increased contributions from both rural and urban markets. The study highlights that rural growth is a key driver for the FMCG sector, while urban consumers, with rising disposable incomes, are shifting towards premium and high-end FMCG products. Additionally, digitalization has played a crucial role in transforming the sector, with internet users significantly contributing to FMCG sales growth. The Indian government's push towards a digital economy has further accelerated this transformation, offering new opportunities for FMCG companies to expand their reach.

4. RESEARCH METHODOLOGY

This study primarily relies on primary data, which was collected through a structured questionnaire distributed among college students. The questionnaire was designed to assess various aspects of consumer buying behavior in the Fast-Moving Consumer Goods (FMCG) sector, including factors such as brand loyalty, product quality, pricing, accessibility, and promotional influences. The survey aimed to gather insights into the purchasing decisions of consumers and identify key determinants influencing their choices in the FMCG market.

The sample size for this study consists of 25 respondents, specifically college students, selected based on their consumption patterns of FMCG products. The samples were collected using the convenience sampling method, a non-probability sampling technique that allows easy access to respondents. This method was chosen due to its feasibility in reaching participants within a limited timeframe. While convenience sampling provides quick insights, it also has limitations in generalizability, as the results may not fully represent the broader consumer population.

To analyse the collected data, the study employs simple percentage analysis using descriptive statistics. This analytical approach helps interpret and summarize the data effectively by calculating the proportion of respondents exhibiting specific consumer behaviours. By utilizing frequency distribution and percentage calculations, the study provides a clear understanding of consumer preferences, purchasing patterns, and key influencing factors in FMCG product selection. The findings from this research can contribute valuable insights for FMCG companies in refining their marketing strategies, promotional campaigns, and product positioning to better cater to consumer needs.

5. PERSONAL DETAILS OF THE RESPONDENTS

The personal details of the respondents include factors such as Gender, Age, and Education. The followingTable1. presents the personal details of the respondents.

Particulars		Total users	
		Respondents	Percentage
Gender	Male	10	40.0
	Female	15	60.0
	Total	25	100.0
Age	Below 20 years	7	28.0
	20-30 years	18	72.0
	Total	25	100.0
Education	Under graduate	12	28.0
qualification	Post graduate	10	40.0
	Professionals	1	4.0
	Others	2	8.0
	Total	25	100.0

Table-1: Personal Details of the Respondents

Sources: Primary data

Interpretation: From the above Table.1 It is clear that out of 25 respondents, 15(60.0 per cent) respondents are females ,18(72.0 per cent) respondents come under the middle age group of below 21-30 years,15(60.0 percent),12(48.0 percent) respondents have UG qualification.

6. FAMILY DETAILS OF THE RESPONDENTS

Family details of the respondents include the factors such as family monthly income, Family size, and No. of. Dependents. These are presented in table.2

		Total users	
Parti	culars	Respondents	Percentage
	Below 20000	12	48.0
Family income	Up to 20001-	10	44.0
	30000		
	Up to 30001-	1	4.0
	40000		
	Above 40000	2	8.0
	Total	25	100.0

Table-2: Family Details of the Respondents

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No. of.	Up to 3	19	76.0
Dependents	4-6	6	24.0
	Total	25	100.0
Family size	Up to 3	4	16.0
	4-6	20	80.0
	Above 6	1	4.0
	Total	25	100.0

Sources: Primary data

It is divulged from the above Table.2 that 25 respondents, 12(48.0 per cent) respondents family income(monthly) is between Below ₹ 20000, 20(80.0 percent)respondents families consists of up to 3 members, 19(76.0 per cent) up to 3 members as their dependents.

7. PURCHASE BEHAVIOUR

Table-3: Purchase Behaviour

Particulars		Total users	
		No. of Respondents	Percentage
Often	Weekly	5	20.0
purchase	Monthly	15	60.0
FMCG	Occasionally	5	20.0
Products	Total	25	100.0
Factor	Price	6	24.0
influence	Quality	13	52.0
purchase decision	Brand reputation	2	8.0
when buying	Availability	3	12.0
FMCG	Advertising	1	4.0
products	Total	25	100.0
Prefer to buy	Supermarkets	9	36.0
FMCG products	Convenience stores	7	28.0
	Online stores	7	28.0
	Local markets	2	8.0
	Total	25	100.0
FMCG	Food& beverages	15	60.0
products buy	Personal care items	6	24.0
most frequently by customers	Household products	1	4.0
	Health products	3	12.0
	Total	25	100.0
Get	Social media	18	72.0
information	TV/Radio Advertisement	6	24.0
about FMCG products	Word of mouth	1	4.0
Products	Total	25	100.0

Sources: Primary Data

From the above table.3. It is clear that out of 25 respondents, 15(60.0 per cent) respondents are often purchase (monthly) FMCG Products, 13(52.0 per cent) respondents are quality factor influence purchase decision when buying FMCG products, 9(36.0 percent) respondents are preferred to buy FMCG products at supermarkets, 15(60.0 per cent) respondents are food & beverages products buy most frequently by customers, 18 (72.0 per cent) Social media to get information about FMCG products.

8. FACTOR ANALYSIS Consumer Buying Behaviour

Table-4: Consumer Buying Behaviour				
KMO and Bartlett's Test				
Kaiser-Meyer-Olkin Measure of Sampling Adequacy538				
Bartlett's Test of Sphericity Approx. Chi-Square		4.604		
	D f	10		
	Sig.	.916		

	Initial Eigenvalues		Extra	ction Sums of Loadings	-	
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1.	1.489	29.783	29.783	1.489	29.783	29.783
2.	1.110	22.191	51.974	1.110	22.191	51.974
3.	.956	19.126	71.099			
4.	.828	16.562	87.661			
5.	.617	12.339	100.000			

9. PROBLEMS FACED BY CONSUMER BUYING BEHAVIOUR ON FMCG PRODUCTS

Table-5: Problems Faced by Consumer Buying Behaviour on FMCG Products

Particulars		Total users	
		No. of Respondents	Percentage
Often to choose an	Agree	9	36.0
FMCG product based on price	Strongly Agree	6	24.0
rather than	Neutral	3	12.0
quality.	Disagree	4	16.0
	Strongly Disagree	3	12.0
	Total	25	100.0
Ever purchase an FMCG products that did not meet expectations	Agree	7	28.0
	Strongly Agree	12	48.0
	Neutral	4	16.0
	Disagree	1	4.0
	Strongly Disagree	1	4.0
	Total	25	100.0

Try a new brand	Agree	8	32.0
or lesser-known brand of FMCG	Strongly Agree	4	16.0
products	Neutral	6	24.0
	Disagree	3	12.0
	Strongly Disagree	4	16.0
	Total	25	100.0
Difficult to find	Agree	14	56.0
that preferred FMCG product is	Strongly Agree	5	20.0
out of stock at regular stores.	Neutral	1	4.0
	Disagree	3	12.0
	Strongly Disagree	2	8.0
	Total	25	100.0
Brand with more	Agree	7	28.0
sustainable packaging even, if costs more	Strongly Agree	11	44.0
	Neutral	3	12.0
	Disagree	3	12.0
	Strongly Disagree	1	4.0
	Total	25	100.0

Sources: Primary data

From the above Table.5, it is clear that out of 25 respondents, problems faced by consumer buying behaviour on FMCG products, 9(36.0 per cent) respondents are agree to often to choose an FMCG products based on price rather than quality, 12(48.0 per cent) respondents are agree to ever purchase an FMCG products that did not meet expectations,8(32.0 per cent) respondents are agree to try a new brand or lesser-known brand of FMCG products, 14(56.0 percent) respondents are agree to difficult to find that preferred FMCG product is out of stock at regular stores, 11(44.0 per cent) respondents are agree to brand with more sustainable packaging even, if costs more.

10. RANK ANALYSIS

It is observed that analysis of the overall opinion of the respondents regarding problem of using FMCG products, "Difficulties to find that preferred FMCG product is out of stock" has a score 14(56 %) holds a first rank, the next problem is "Ever purchased an FMCG products that did not meet expectations" has a score of 12(48%) holds a second rank, the next problem is "brand with more sustainable packaging even, if costs more" has a score of 11(44%) holds a third rank, as far as "often to choose an FMCG products based on price rather than quality" holds a score of 9(36%) holding the fourth rank, "The try a new brand or lesser known brand of FMCG products" has a score of 8(32%) holding the fifth rank with total score of respondents.

11. SUGGESTIONS

- Look for certifications like FSSAI, Quality standards or reviews and ratings from other consumers.
- The FMCG companies should organize regular feedback sessions with

consumers to understand their concerns and expectations.

- Collaborate with social media influencers or bloggers in FMCG niche to promote lesser-known brands and product, increasing visibility &creditability.
- It is suggested to check online retailers or nearby stores for availability, or contact the brand directly for stock updates.
- Collaborate with eco-conscious influencers. Purchasing in larger quantities can reduce the per-unit costs.

12. CONCLUSION

FMCG is the 4th largest sector in the Indian economy. FMCG companies play a pivotal role in our daily lives. From tooth paste, soaps, daily use items etc. FMCG Sector has a very bright future related to developments happening in demand side, supply side and systematic drivers. The top Indian FMCG companies include names like HUL, ITC, Nestle and New Entrant Patanjali. Foreign investments in FMCG sector have grown gradually to reach the current size. FMCG products are important to people in their daily lives. Its value is to give people personal advantages. The above analysis points out that FMCG brands are in position to offer good service to consumer satisfaction in a manner of good quality and easy accessibility. In this analysis, demographic variables of age, gender, education qualification, and occupation were compared with the factors of buying behaviour (brand ambassador, brand, healthy, good quality, and price.

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