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A Study of Consumer Buying Behavior and Brand Loyalty in a FMCG Market

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Abstract: *The Fast-Moving Consumer Goods (FMCG) market is a highly competitive and dynamic landscape, where understanding consumer buying behaviour and brand loyalty is crucial for business success. This research paper delves into the intricate relationship between these two crucial elements, aiming to provide valuable insights for FMCG companies to enhance their marketing strategies and foster long-term customer engagement.*

The study employs a mixed-methods approach, combining quantitative data analysis and qualitative insights, to explore the factors influencing consumer purchasing decisions and the drivers of brand loyalty in the FMCG sector. The research examines the impact of various elements, such as promotions, pricing, perceived quality, and brand trust, on consumer behaviour, as well as the emotional connections, repeated purchases, and advocacy that contribute to brand loyalty.

Through a comprehensive analysis of the collected data, the study offers a multifaceted understanding of the complex dynamics shaping the FMCG market. The findings reveal the underlying motivations and decision-making processes of FMCG consumers, highlighting the importance of tailored marketing strategies and personalized customer experiences in driving brand engagement and loyalty. Furthermore, the research identifies the key factors that foster strong brand-customer relationships, providing FMCG companies with actionable strategies to cultivate a loyal customer base and maintain a competitive edge in the market. The study also explores the impact of technological advancements and evolving consumer trends on the FMCG landscape, offering insights into the future direction of the industry. By bridging the gap between consumer behavior and brand loyalty, this research paper equips FMCG businesses with the knowledge and tools necessary to navigate the dynamic market environment, enhance customer satisfaction, and achieve sustainable growth and success.

I. INTRODUCTION

Consumer buying behaviour and brand loyalty are pivotal factors in the Fast-Moving Consumer Goods (FMCG) market, which encompasses products that are sold in large volumes and have a short shelf life. This market is characterized by high turnover rates, intense competition, and rapid consumer preferences. Understanding these dynamics is crucial for businesses aiming to succeed in the global FMCG landscape. Consumer buying behaviour refers to the process through which consumers select, purchase, use, and dispose of products to satisfy their needs and wants. In the FMCG sector, this behaviour is influenced by a multitude of factors, including product quality, price, brand reputation, and the availability of alternatives. Consumers in the FMCG market are increasingly influenced by global trends, digital marketing, and the growing importance of sustainability and ethical consumption. Brand loyalty, on the other hand, is a consumer's preference for one brand over others, often due to perceived quality, value, or emotional connection. In the FMCG market, brand loyalty is a significant driver of repeat purchases and customer retention. Companies that can foster strong brand loyalty through consistent quality, innovative marketing, and a positive brand image are more likely to succeed in this competitive environment. The international FMCG market is highly dynamic, with consumers in different countries having unique preferences and behaviours. Companies must adapt their strategies to meet the specific needs and expectations of consumers in each market. This includes understanding local cultures, consumer preferences, and regulatory environments.

II. LITERATURE REVIEW

- 1) J. Helen and Dr. V. Darling Selvi (2022) Consumer Behaviour on Fast-Moving Consumer Goods - explores how consumers' attitudes and preferences towards FMCGs affect their purchasing decisions. The study found a strong relationship between location, product, price, promotion, and consumers' physiological and psychological states, with variations in relevance across products. It highlights the importance of understanding consumer behaviour for FMCG marketing and the significant impact of brand recognition on sales.

- 2) Ankit Katiyar and Nikha Katiyar (2014) An Empirical Study of Indian Consumer Buying Behaviour of FMCG Products (With Special Reference of Bathing Soap) - investigates the popularity of bath soap in India, showing a significant increase in consumer interest over the past few decades. This study underscores the importance of consumer preferences and the role of FMCGs in enhancing quality of life.
- 3) By Pallavi G S and Shashidhar (2013) Consumer Behaviour Towards Selected FMCG - reveals that consumers remember a large number of FMCG brands, prioritizing cost, product quality, and convenience in their purchasing decisions. This research emphasizes the importance of brand loyalty and the factors influencing consumer choices in the FMCG sector.
- 4) Dr. Kiran Mor (2013) A Study on Customer Preferences towards Selected Local Omani (FMCG) Products - focuses on the preferences of consumers in rural Haryana, India, towards FMCG products. It highlights the role of education and occupation in influencing consumer behaviour and the potential for FMCG companies to tailor their advertising strategies to reach rural customers directly.
- 5) Shanmugan Joghee & Pradeep Kumar Pillai (2013) The Brand Influence on Buying FMCG Products In UAE: An Empirical Study - examines how brand influence affects consumers' decisions to buy FMCG products in the UAE, where most people are foreign workers. The study suggests that price and quality are the primary factors influencing purchases, with brand influence playing a significant role.

III. RESEARCH OBJECTIVE

- 1) Analyze the consumer decision-making process in the FMCG industry, including problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation, to identify the stages most influenced by these factors.
- 2) Examine the impact of FMCG companies' marketing strategies on consumer buying behaviour and brand loyalty, focusing on how these strategies address the various stages of the consumer decision-making process.
- 3) Identify the key personal factors, such as age, gender, income, and lifestyle, that affect consumer behaviour in the FMCG industry and how these factors influence brand loyalty.

IV. SCOPE OF RESEARCH

- 1) *Geographical Focus*: The study will primarily focus on the FMCG market in India, including both rural and urban areas.
- 2) *Industry Sector*: The research will concentrate on the FMCG sector, specifically focusing on personal care products.
- 3) *Consumer Behaviour and Brand Loyalty*: The study will investigate how various factors, including product quality, price, brand reputation, and marketing strategies, influence consumer buying behaviour and brand loyalty in the FMCG sector.
- 4) *Cultural, Social, and Economic Factors*: The research will explore the role of cultural, social, and economic factors in shaping consumer buying behaviour and brand loyalty in the FMCG sector.

V. HYPOTHESIS

(H0): There is no significant relationship between perceived product quality and brand loyalty in the FMCG market.

(H1): Higher perceived product quality leads to increased brand loyalty among consumers in the FMCG market.

(H0): Price sensitivity does not significantly impact brand loyalty in the FMCG market.

(H1): Higher price sensitivity among consumers leads to reduced brand loyalty in the FMCG market.

(H0): There is no significant relationship between marketing communications (e.g., advertising, promotions) and brand loyalty in the FMCG market.

(H1): Effective marketing communications strategies result in higher brand loyalty among consumers in the FMCG market.

VI. SCOPE OF THE STUDY

- 1) *Understanding Consumer Buying Behaviour*: Investigate the decision-making process of FMCG consumers, including the relative importance of various attributes in their purchase decisions
- 2) *Exploring Brand Loyalty in the FMCG Sector*: Examine the relationship between consumer buying behavior and brand loyalty in the FMCG market.
- 3) *Analyzing the Competitive Landscape*: Assess the impact of emerging trends, such as the rise of private labels and e-commerce, on the FMCG market dynamics.
- 4) *Providing Strategic Recommendations*: Offer insights and recommendations to FMCG companies on effective marketing strategies to enhance consumer engagement and brand loyalty.

VII. RESEARCH METHODOLOGY

A. Research Design

The study will adopt a mixed-methods research design to provide a comprehensive understanding of consumer buying behaviour and brand loyalty in the FMCG market. This approach will allow for the integration of both quantitative and qualitative data to capture the complexities of consumer preferences and brand relationships.

B. Data Collection

1) Primary Data

- a) *Consumer Surveys:* Structured questionnaires will be distributed to a diverse sample of FMCG consumers to gather quantitative data on their buying behaviour, brand perceptions, and loyalty.
- b) *In-depth Interviews:* Qualitative interviews will be conducted with a subset of participants to delve deeper into their motivations, attitudes, and experiences related to FMCG products and brands.

2) Secondary Data

Industry reports, academic studies, and market research publications will be reviewed to provide context, background information, and industry insights relevant to the study.

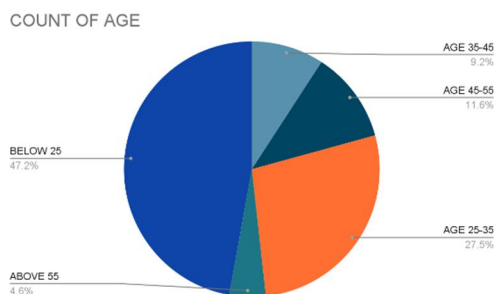
C. Sample Size: 30 (Consumer)

Analysis Technique: Random Sampling and Questionnaire technique selected by researcher to collect the data from the respondent.

SAMPLE UNIT: - D - Mart Sitapur Jaipur City was chosen as a sample unit. Survey was conducted in August 2023.

CONTACT METHOD: - Questionnaire method was used to View responses of respondents.

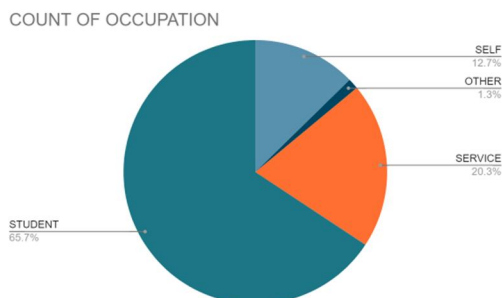
D. Data Analysis and Interpretation – AGE



E. Data Analysis

As we can see, the age below 25 is 71%, which is much more than that of other segments. The young population is dominant if we consider the numbers. The maximum number of Brand Loyalty are due to the young population.

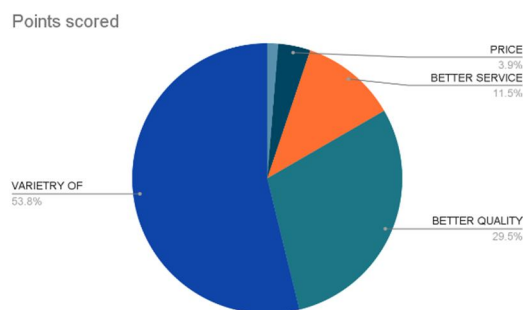
F. Occupation



G. Data Analysis

The student segment that is 65.8%, dominates the especially on Demand. so, should be modified and the approach can be friendlier for their conversion and retention.

H. Point Of Factor



I. Data Analysis

Have a wide variety of products and the coverage is 54%. Better quality has been voted 30% better 11%. Customers prefer to shop to for an exclusive store having lesser variety.

VIII. FINDINGS

- 1) *Age-Based Loyalty Variation:* While young consumers dominate, it's crucial to see if brand loyalty differs among various age groups. Understanding these differences can help tailor strategies better.
- 2) *Factors Driving Loyalty:* Besides product variety, factors like product quality and service also matter. Brands need to balance these aspects to build strong loyalty.
- 3) *Comparing Competitors:* To understand consumer behavior fully, comparing with competitors is necessary. This can highlight strengths and weaknesses for improvement.
- 4) *Seasonal Impact:* Considering the survey period, seasonal trends may affect consumer behavior. Studying these variations can guide marketing efforts throughout the year.
- 5) *Future Research Ideas:* Further studies could track long-term changes in preferences or explore cultural influences. This ongoing research can provide deeper insights for effective marketing strategies

IX. LIMITATIONS OF RESEARCH

- 1) *Dynamic Consumer Behaviour:* Consumer behaviour is highly dynamic and influenced by a multitude of factors, including changing preferences, economic conditions, and social trends. This makes it challenging to capture a consistent snapshot of consumer behaviour over time.
- 2) *Resource Constraints:* Conducting in-depth research in the FMCG industry can be resource-intensive, requiring significant investment in time, money, and personnel. This can limit the scope of research and the ability to explore all aspects of consumer behaviour and brand loyalty.
- 3) *Sampling Bias:* There is a risk of sampling bias in market research, where the sample of consumers used in the study may not accurately represent the broader population. This can lead to inaccurate conclusions about consumer behaviour and brand loyalty.

X. SUGGESTION AND RECOMMENDATION

- 1) *Invest in Effective Marketing Strategies:* FMCG companies should allocate resources towards developing and implementing effective marketing strategies that resonate with target consumers. This includes investing in captivating advertising campaigns, strategic promotions, and engaging social media content to influence consumer buying behavior and foster brand loyalty.
- 2) *Build Trust and Reputation:* Building trust and maintaining a strong brand reputation are paramount for fostering brand loyalty in the FMCG market. Companies should prioritize product quality, consistency, and customer satisfaction to earn the trust of consumers. Transparency in communication and addressing consumer concerns promptly can further enhance brand reputation and loyalty.

- 3) *Offer Value at Different Price Points:* Recognizing the diverse financial capacities of consumers, FMCG companies should offer products at different price points to cater to varying budget constraints. This includes offering both premium and affordable options within their product portfolio, thereby appealing to a broader spectrum of consumers and enhancing brand loyalty.
- 4) *Invest in Packaging and Presentation:* Packaging plays a crucial role in capturing consumer attention and influencing purchasing decisions in the FMCG market. Companies should invest in visually appealing packaging designs that communicate brand identity and product quality effectively. Additionally, optimizing product presentation in retail settings can enhance brand visibility and appeal to consumers.
- 5) *Leverage Word-of-Mouth Influence:* FMCG companies should recognize the power of word-of-mouth recommendations and peer influence in driving consumer buying behavior. Encouraging satisfied customers to share their experiences and recommendations through social media platforms and incentivizing referrals can amplify brand advocacy and strengthen brand loyalty.
- 6) *Enhance Convenience and Accessibility:* Convenience is a key factor influencing consumer behavior in the FMCG market. Companies should prioritize enhancing convenience through factors such as expanding distribution channels, offering online shopping options, and streamlining the purchasing process. By making their products readily accessible to consumers, companies can foster brand loyalty and drive repeat purchases.
- 7) *Consider Cultural and Socio-Economic Factors:* Understanding the cultural and socio-economic nuances of target consumer segments is essential for effective marketing in the FMCG market. Companies should tailor their product offerings, messaging, and marketing strategies to align with cultural preferences and socio-economic realities of consumers. By acknowledging and respecting cultural diversity, companies can build stronger connections with consumers and foster brand loyalty.

XI. CONCLUSION

In conclusion, this study unveils the intricate relationship between consumer buying behaviour and brand loyalty within the Fast-Moving Consumer Goods (FMCG) market. Through an exhaustive analysis of various influencing factors, several critical insights have surfaced. Firstly, effective marketing strategies are pivotal, shaping consumer preferences and fostering brand loyalty. Engaging advertising campaigns, strategic promotions, and compelling social media content wield considerable influence over consumer purchasing decisions. Secondly, the study emphasizes the paramount importance of building trust and maintaining a strong brand reputation. FMCG companies that prioritize quality, consistency, and customer satisfaction stand to gain enduring trust and loyalty from consumers. Transparent communication and prompt resolution of consumer concerns are indispensable in fortifying brand reputation. Moreover, offering value at diverse price points is essential to cater to the varying financial capacities of consumers. By providing both premium and affordable options, FMCG companies can broaden their appeal and cultivate brand loyalty across a wider demographic spectrum. Additionally, the significance of packaging and presentation cannot be overstated. Visually appealing designs and optimized product displays significantly enhance brand visibility and consumer appeal. Furthermore, leveraging word-of-mouth influence and enhancing convenience and accessibility are indispensable strategies for cultivating brand loyalty. Encouraging satisfied customers to advocate for the brand, expanding distribution channels, and simplifying the purchasing process all contribute to building stronger consumer connections. Lastly, acknowledging and respecting cultural and socio-economic factors is crucial for effective marketing in the FMCG market. Tailoring product offerings and marketing strategies to align with consumer preferences fosters enduring brand loyalty. Overall, by incorporating these insights and recommendations, FMCG companies can navigate consumer behaviour complexities and foster sustainable brand loyalty in the dynamic market landscape.

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