

# A Study on Impact of Advertising on Consumers Buying Behavior with Reference to FMCG Products

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**Abstract:** For analysis in this study the research utilizes a quantitative approach, collecting data through a self-administered questionnaire. The questionnaire explores consumers' awareness and perception of advertising for FMCG products, as well as its impact on their attitudes towards buying behavior. Convenience sampling was used to distribute the questionnaire, targeting consumers within the age range of 18-45 years in Bangalore City. The sample size for this study was 178 participants. Data analysis involves descriptive statistics to examine the awareness and perception levels of consumers towards advertising. Furthermore, inferential statistics such as correlation analysis or regression analysis has been conducted to determine the relationship between advertising and consumers' buying behavior. The focus of this study is on five selected FMCG brands, aiming to gain insights into how advertising influences consumer attitudes towards purchasing these products. The findings of this research will contribute to understanding consumer behavior and the role of advertising in the FMCG industry, providing valuable insights for marketers and advertising professionals. By analyzing the impact of advertisement on consumer buying behavior, this study aims to uncover the significance of effective advertising strategies in influencing consumers' purchasing decisions. It is expected that the results will shed light on the importance of targeted advertising campaigns and relevant product information in driving consumer preferences for FMCG products. The study involved a survey of 178 consumers aged between 18-45 years in Bangalore City. The study considered FMCG products. Analysis of the data revealed that advertisement variables have a positive impact on consumer buying behavior in Bangalore City. The regression analysis showed that the brand of the product has a greater influence on consumer buying behavior compared to the label and environmental advertisement variables. These research findings indicate that advertisements have the ability to attract consumer preference and choices, thereby influencing their buying behavior.

**Keywords:** Buying Behavior, FMCG Products, Advertisement, Brands, Consumers, & Preferences

## 1. Introduction

The FMCG (fast-moving consumer goods) industry is among the biggest industries globally and consists of affordable products with a short shelf life that are bought frequently by consumers. Retailers typically earn low profit margins on these products, so they aim to sell large quantities to make up for it. The FMCG industry includes a wide range of products, such as food, beverages, personal care items, and home care products. Despite the similarities among products, there is intense price competition between retailers. To stand out, companies utilize marketing techniques to establish brand loyalty and charge higher prices. One notable aspect of the FMCG sector is its resilience during economic downturns, as consumers tend to prioritize necessary products over luxury items.

Competition has become a prominent factor in the era of globalization as companies strive to meet the demands of target consumers through innovative product offerings. Fast Moving Consumer Goods (FMCG) have become an integral part of our daily lives as people seek to improve their living standards in various aspects. Nowadays, FMCG products are considered almost essential for individuals due to increasing awareness. However, the process of globalization has brought both benefits and challenges, with environmental pollution being a significant negative impact on human beings (Boztepe, 2012). These environmental concerns are now of utmost importance and both governments and society are increasingly recognizing the need to address them. The concept of sustainable economic development has gained

significance in today's world.

Marketers have recognized the potential in using innovative methods of green marketing to address this situation. Organizations have embraced the concept of sustainable management and are increasingly directing their efforts towards environmentally friendly products, eco-labels, green regulations, and technologies. The aim is to gain a competitive edge in the market through sustainable development.

Organizations prioritize capturing the attention of potential customers in order to increase sales. Creating brand awareness through advertising plays a crucial role in establishing customer loyalty. In the field of marketing, it is essential to strive for high levels of awareness. Engaging consumers and getting them to consider a brand or product during the initial stages of the purchasing process can ultimately lead to long-term customer loyalty.

In order to reach a specific audience and create awareness for new or unknown businesses, advertising becomes essential. Previous research has explored the use of advertising tools and their impact on consumer behavior. Several studies have focused on the use of eco-branding, eco-labeling, and environmental advertising to increase consumer knowledge regarding fast-moving consumer goods (FMCG). These methods can help differentiate green products from other products and increase overall consumer awareness, as shown in studies by Muposhi and Dhurup (2017), Rahbar and Wahid (2011), Ahmadi and Fateme Javadi (2015), and

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**Chin, Chin, and Wong (2018).**

Advertising plays a crucial role in facilitating the movement of goods from producers to consumers. By using mass marketing techniques, advertising can significantly contribute to the growth of GDP. It helps to expand mass marketing efforts and allows consumers to make informed choices and preferences from a wide range of available products. The emergence of mass advertising, as we know it today, occurred in the latter half of the 19th century. This coincided with the advent of mass production and the need to develop distribution channels to efficiently transport goods. As a result, mass communication became essential in informing consumers about the various options available to them.

## 2. Review of Literature

Marketing involves recognizing and fulfilling the needs of individuals and society (**Kotler and Keller, 2012**). Among the various marketing concepts, the societal marketing concept gives importance to both customer satisfaction and the well-being of society. This concept forms the foundation for sustainable marketing, which involves socially and environmentally responsible marketing practices that meet the current needs of consumers while also ensuring that future generations can meet their own needs (**Kotler and Armstrong, 2012, p.11**).

**Josephine et al. (2021)** conducted a study to determine the effect of television advertisements on the purchasing behavior of rural consumers. The findings suggest that advertisements provide valuable information to consumers about products and also influence them to buy those products. This suggests that marketers are doing more than just selling products and goods.

**Kotler and Armstrong, (2012)** conducted a study that revealed the importance of promotional offers and brand availability in the marketing strategies of FMCG companies. Meeting the needs and wants of consumers and target markets more efficiently and effectively is a significant objective. The article emphasizes consumer behavior towards FMCG products in Khulna.

In their analysis, **Kumar et al. (2020)** noted that the FMCG sector plays a crucial role in India's Gross Domestic Product, particularly in meeting the demands of the lower and middle-income groups. A significant portion, around 73%, of FMCG products are purchased by middle-class households, with over 52% of these sales occurring in rural areas of India. Due to the immense size and promising opportunities of the rural market, rural marketing has become a focal point for many FMCG companies. With urban areas reaching saturation and facing fierce competition, FMCG companies are now shifting their focus and developing new strategies to target rural consumers. The Indian FMCG industry is actively formulating competitive strategies to tap into this untapped potential market.

According to **Mohd Suki (2016)**, a green brand is characterized by its attributes and benefits that contribute to minimizing negative effects on the environment. These

attributes and benefits create a favorable perception among consumers who prioritize environmental concerns. To set green products apart from non-green ones and encourage customers to choose them, eco-brands can emphasize their distinctive features. Furthermore, customers are motivated to switch to green products by the advantages they can gain from consuming products associated with green brands.

**Mohammad Rehan et al. (2020)** conducted research to examine the influence of advertising on the consumer behavior of university students (N = 150). The study concluded that for an advertisement of a specific brand to be effective and have a positive impact, it should possess the qualities of a good advertisement. In summary, the study found a positive relationship between advertising appeal and its effectiveness. Additionally, it was discovered that people form attitudes towards objects based on their beliefs, perceptions, and knowledge about those objects.

According to **Srivsthav (2021)**, there has been a historical bias towards urban marketing in India since independence. However, the green revolution in the 1970s played a significant role in boosting the rural economy, which led to increased interest from firms in reaching rural markets and expanding their presence in smaller villages and towns. Furthermore, it is observed that rural consumers are now displaying similar behaviors to urban consumers in terms of their preferences, taste, fashion, and lifestyle.

**Singh Aditi (2020)** outlined in their research that the Indian Fast Moving Consumer Goods (FMCG) industry has evolved over the past five decades. It is a crucial contributor to the Indian economy, encompassing various aspects of human life. For a considerable period, the Indian FMCG market has been segregated into the organized and unorganized sectors.

### Objectives of the Study

- 1) This study aims to examine how advertising affects the purchasing behavior of fast-moving consumer goods in Bangalore city.
- 2) Additionally, this study aims to analyze the attitudes towards advertising and its role in creating consumer awareness in Bangalore city.

## 3. Methodology

To fulfill the research objectives, a convenience sampling technique was used to select a total of 178 respondents who had purchased fast-moving consumer goods (FMCG) between March 2023 and May 2023. Additionally, respondents from various occupations such as business, students, service workers, teachers, and others were included in the study. The purpose of the study was to assess the respondents' purchasing behavior and attitudes towards FMCGs, and they were asked to rate different statements using a five-point Likert scale. A total of 200 questionnaires were distributed, and 178 responses were received, resulting in a respondent rate of 89%. The response scales for each statement in the survey questionnaire were as: 5-Strongly agree, 4-Agree, 3-Moderately agree, 2-Disagree, and 1-strongly disagree, the collected data was entered in SPSS 25.

4. Data Analysis and Interpretation

Cronbach’s alpha is a statistical measure used to assess the reliability or internal consistency of a scale or a set of related items which is commonly used in research studies to gauge the extent to which items on a questionnaire or survey measure the same underlying construct. Generally, a value of 0.7 or higher is considered acceptable, indicating a good level of internal consistency among the items.

Table 1: Reliability Statistics

S. No	Constructs	Cronbach’s Alpha	Number of Items
1.	Trademark	0.85	6
2.	Label & Tag line	0.92	6
3.	Environmental advertisement	0.78	6
4.	Purchasing behavior	0.76	6

Demographic profile of the respondents

According to Table 1, a large majority of respondents in this study were males, making up 57.3% (N=102) of the total respondents, while the percentage of female participants was only 42.67% (N=76). A significant portion of the participants, 34.67% (N=62), were below the age of 20. In terms of marital status, the majority, 82.67% (N=147), were reported as single. The participants primarily consisted of university and college students, accounting for 76.66% (N=136) of the sample. Additionally, the majority of respondents, 52% (N=92), had a household income below RM 15,000.

Table 2: Respondents Demographic Profile

Variables	Particulars	No. of Respondents	%
Gender	Male	102	57.33
	Female	76	42.67
Age (in Years)	Below 20	62	34.67
	21 - 25	49	27.33
	26 - 30	38	21.33
	Above 30	30	16.67
Marital Status	Married	31	17.33
	Unmarried	147	82.67
Educational Qualification	UG	102	57.33
	PG	34	19.33
	Others	42	23.33
Monthly Income	Below 10000	46	26
	10001 - 15000	46	26
	15001 - 20000	37	20.67
	20001 - 25000	26	14.67
	Above 25000	23	12.67

Table 2: Respondents opinion on cause of influence

S. No	Influencing Reason	No. of Respondents	%
1	Multimedia Presentation	49	27.33
2	Attractiveness	42	23.33
3	Informative and instructional	34	19.34
4	Brand Ambassadors	32	18
5	Others	21	12

Based on the table, it is evident that most of the respondents indicated that multimedia has the strongest impact on their decision to purchase FMGC products. In second place was attractiveness, followed by informativeness, brand ambassadors, and other factors such as newspapers and magazine

Table 3: Respondents opinion on showing interest on advertised products

S. No	Interested in Advertised Product	No. of Respondents	%
1	Yes	115	64.61
2	No	63	35.39

Based on the table, it is evident that the majority of the respondents expressed satisfaction with the advertised products when using them. On the other hand, 35 percent of the respondents reported being dissatisfied with the advertised products during usage.

Table 4: Respondents opinion on effects of advertising over buying behaviors

S. No	Influence of Advertisements over buying behaviour	No. of Respondents	%
1	Significant impact	44	24.77
2	Moderate impact	106	59.47
3	Minor Impact	28	15.76

According to the table, it appears that 59 percent of the respondents feel that advertisements have a moderate influence on their buying behavior. Meanwhile, 25 percent of respondents believed that advertisements had a significant impact, while 16 percent felt that advertisements had a minor impact on their purchasing behavior.

Table 5: Respondents opinion on factors affecting the buying behaviour

S. No	Factors Influencing	Total Mean Score	Rank
1	Mindful about product availability	126.84	III
2	Facts about brand loyalty	118	VII
3	Conscious about quality products	134.48	II
4	Familiarity about price discrimination	135.15	I
5	Information about product offers or gifts	122.89	IV
6	Easy to compare with viable product	118.54	V
7	Conscious about sales network	113.4	VIII
8	Derive more knowledge about the product	118.14	VI

The table indicates that the factor of knowledge about price discrimination was ranked first, with a mean score of 135.15. This was followed by awareness about the quality of products (134.48), awareness about product availability (126.84), knowledge about product offers or gifts (122.89), ease of comparing with competitive products (118.54), gaining more knowledge about the product (118.14), knowledge about brand loyalty (118.00), and awareness about the sales network (113.40), ranked as the second, third, fourth, fifth, sixth, seventh, and eighth factors respectively.

**Table 6:** Respondents opinion on factors influencing satisfaction levels of the buyers

S.No	Influencing Factors	Satisfaction Levels					Average Mean
		SD [1]	D [2]	N [3]	A [4]	SA [5]	
1	Mindful about product availability	5	9	7	39	90	4.2
2	Facts about brand loyalty	7	8	7	49	79	4.25
3	Conscious about quality products	7	5	8	36	94	4.38
4	Familiarity about price discrimination	4	9	5	34	98	4.41
5	Information about product offers or gifts	9	5	7	42	87	4.28
6	Easy to compare with viable product	8	6	7	45	84	4.28
7	Conscious about sales network	9	7	8	52	74	4.17
8	Derive more knowledge about the product	11	2	8	47	82	4.24

The responses indicate that the respondents are happy with several aspects, including their understanding of price discrimination, awareness of quality products, and knowledge of product availability. They find it simple to compare products against one another and are increasing their knowledge about the product. They also seem to possess knowledge about brand loyalty and the sales network. Overall, it seems that their requirements and expectations concerning these areas are being fulfilled.

## 5. Findings

- 1) The majority of survey respondents are unmarried males who are under the age of 22 and have completed their undergraduate studies. They earn between 10,000 and 15,000 per month.
- 2) The use of multimedia presentations has the greatest influence on the purchase of FMGC products for the respondents.
- 3) Around 59.47% of the respondents reported that advertisements have a moderate level of impact on their consumer buying behavior.
- 4) The respondent's understanding of price discrimination received the highest ranking, with a mean score of 135.15, indicating that this factor significantly affects their purchasing decisions.
- 5) Most of the respondents expressed satisfaction with their level of knowledge about price discrimination, scoring it at 4.41 out of 5. This suggests that they feel well-informed about this factor, which may contribute to their overall satisfaction with their purchasing experiences.

## 6. Suggestions

- 1) It is found that advertisement discloses the features of the products and will help the consumer in better decision making.
- 2) It is suggested that advertisement on promotional schemes should also be given, as consumers may be in a verge to purchase other brands.
- 3) Adequate information should be given in the company's website regarding the product which educates and motives the consumer to purchase the product.

## 7. Conclusion

By proper advertisement the companies can gain the trust of the consumers. Companies should advertise their product at that time in which it reaches the consumer. Companies

should provide relevant and appropriate information about the product. Present study found that most of the respondents had a positive attitude towards advertising by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. According to the analyzed data, advertisement variables show a positive impact on consumer buying behavior and shows the brand value of the product has more impact on consumer buying behavior than a label and environmental advertisement. In order to further identify the effectiveness of advertising on creation of awareness, marketers are suggested to give more attention in making the advertisement to make it effective for the sales of FMGC products.

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