

# Factor Affecting Impulse Purchasing Behaviour of Customer in FMCG

DR. HIREN HARSORA<sup>1</sup>, GOURAV PATIDAR<sup>2</sup>, VISHAL YADAV<sup>3</sup>

<sup>1</sup> Assistant Professor, Faculty of Management Studies, Parul University

<sup>2,3</sup> MBA Student Final Year, Parul University

*Abstract -This paper is an attempt to find out the factor(s) influencing the buying behavior of customers in the FMCG sector keeping in view the retail market in India. The impact of various impulse buying factors like sales and promotion, placement of products, window merchandising, effective pricing strategy etc. on the impulse buying behavior of the customer has been analysed. A hypothetical model is built in this paper, which is taken into account for our research work on impulse buying behavior of consumers. The study is based on primary data collected from shopping malls, handlooms and marts with the help of structured questionnaire on similar scale. Data analysis has been done using SPSS software. The statistical analysis method employed in this study is factor analysis. After analyzing the available data it is found that as the income of the individual is increasing and more and more people are moving towards western culture in dress, food etc., the purchasing power of the people has actually increased. up and thus the impulse buying of the commodities is on a great increment mainly due to pricing strategies of retail players and full of festivals throughout the year*

## I. INTRODUCTION

The fast-moving consumer goods (FMCG) sector is the fourth largest sector in India, with household and personal care accounting for 50% of FMCG sales in India. Increasing awareness, easy accessibility and changing lifestyle have been the major factors for the growth of this sector. The urban segment (accounting for a revenue share of around 55%) is the largest contributor to the total revenue generated by the FMCG sector in India.

However, over the years, the FMCG market has grown at a faster pace in rural India than in urban India. The semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of total rural spending. The Indian FMCG industry generates massive employment opportunities and currently employs over 3 million people. Departmental stores,

grocery stores and supermarkets are places where consumers buy essential products for daily consumption. In the 21st century, people do not want to visit different stores to buy common household items. Unlike other emerging FMCG industry across the world, the FMCG sector in India is still quite traditional. Street markets are still one of the most visited places for shopping in urban as well as rural areas, despite being the leading online platform for buying FMCG products.

Impulsive buying, generally defined as a consumer's unplanned purchases, is an important part of buyer behavior. It accounts for 62% of supermarket sales and 80% of all sales in some product categories. Although impulsive buying has received attention in consumer research, unfortunately, research on group-level determinants is lacking.

This research suggests that the presence of other individuals in a purchasing situation is likely to have a regulatory effect on purchase decisions. However, the nature of this influence depends on the perceptions of normative expectations of those who influence and the motivation to follow these expectations. Peers and family members, the two primary sources of social influence, often have different normative expectations.

Thus, it has been evaluated two factors that are likely to affect the motivation to conform to social norms:

- The inherent susceptibility to social influence.
- The structure of the group Group cohesiveness refers to the extent to which a group is attractive to its members.
- The theory proposed by Fishbein and Ajzen helps conceptualize these effects. This theory assumes that behavior is a multiplicative function of expectations for what others consider socially desirable and the motivation to comply with these

expectations.

## II. LITERATURE REVIEW

- **CONCEPT OF IMPULSE PURCHASE & VARIOUS FACTORS AFFECTING IT** Our Research and study of factors influencing Impulse purchase behavior is mainly having its basis on prior research done in this filed across the globe as well as the articles that are published in various journals. While doing the research we had gone through peer-reviewed articles only and did not take into consideration articles that are peerreviewed for making it more reliable. This was done with a view in line with SAUNDERS et al. (2009) who necessitated the importance of being critical while doing review of literature as it is the very foundation of any study
- Reviewing an already done research work will give an easy understanding of research done previously (SAUNDERS et al., 2009). While doing a review of literature about our topic we made a scan of various sources of information related to Retail sector in India, Impulsiveness of customers and factors affecting it etc. While making a choice of various theories and literature a critical analysis of the data sources is done to make sure that they are fitting to our area of research and are relevant in this context.
- The research started with search on articles in Indian Retail sector and Effect of Advertisements and promotions on consumer buying behavior and then shifted to Impulse buying and various factors affecting it. The search for scholarly articles was done in databases from GRIET Library and on Google Scholar and EBSCO. Wherever the search was done we made sure that it is a peer-reviewed one. We used Keywords like Impulse, Organized Retail in India, Factors affecting Impulse Buying etc.
- The research aims to explore the impact of effective Visual Merchandising (VM) on the buying behavior of customers in retail stores in HYDERABAD, SECUDERERABAD, and VIJAYAWADA. Impulse buying, influenced by personality traits, is a key factor in maximizing sales. By creating a cool, trendy, and approachable retail space, businesses can set themselves apart from competitors and create a successful branding.
- In 2012, the Indian government allowed 51% ownership in single-brand and multi-brand retail to promote inclusivity and sourcing from SMEs. However, no foreign investment has been made yet. Relaxed policies, a \$2 million investment ceiling, and improved service quality were emphasized.
- Weekend shopping is often seen as an indulgence, as it helps customers feel let down due to other circumstances. As work shifts, people spend less time with friends and family, leading to feelings of loneliness and a lack of objectivity in decision-making. This leads to a reliance on advertisements and visual appearances, increasing the likelihood of impulse purchases. Companies like HONDA are forced to advertise their products to catch customer impulses, while rising sales in supermarkets and malls also indicate an increase in impulse purchases.
- Hedonic desire refers to the behavioral aspects of multi-sensory, fantasy, and emotional consumption driven by benefits like fun and aesthetic appeal. Shopping experiences like bargaining and haggling contribute to shopping enjoyment. Impulse buying fulfills hedonic desires, supporting a relationship between hedonic shopping motivation and impulse buying behavior.
- Dittmar et al. developed a theoretical model of impulse buying based on self-completion, materialism, and self-discrepancy theory. They predict variables like an individual's materialism, self-discrepancies, and impulsive shopping tendencies to predict their typical product purchases.
- Gopalakrishnan (1987) highlights that research is a continuous process that helps researchers identify their research area, problem, theoretical background, past findings, and recommendations from previous scholars. This helps them understand their standing and identify research

gaps in their field.

### III. RESEARCH METHODOLOGY

In this study the primary source of data is collected through questionnaire.

Questionnaire was used to collect Response of “FACTOR AFFECTING THE IMPULSE PURCHASE BEHAVIOUR OF CUSTOMERS IN FMCG”. The questionnaire consisted of closed ended questions focused on understanding consumer’s convenience, preferences and expectation.

#### Research Design:

The Research design for a study on Factor Affecting Purchase Behaviour of Customers in FMCG

1) Research Approach: The research approach will be qualitative as it involves analyzing data as per the customer description and opinions.

2) Sampling Design: This study will use a convenience sampling techniques to select respondent as it to understand customer opinions and attitude toward purchasing behavior

#### Sources of data

Data will be collected through a surveys and structured questionnaire to gather data from customers. The questionnaire will be administered online through social media platforms.

#### Data collection method:

A survey questionnaire will be used to collect primary data. The questionnaire will be intended to gather data on customer views on FMCG products. Customer will be given a survey to answer online. This information will be gathered over multiple time frames.

#### Population:

The population is divided upon 2 categories geographic location as (vadodara city) and demographic based on income, ages are factor involved in the research test.

#### Sampling method:

Structured questionnaire is used and random sampling method is being used for the data collection. The people from Vadodara location are randomly selected and the survey form are used which is an online survey questionnaire based on the different factor that are

being selected for the study are used and conclusion based on that factors are to be obtained.

#### Sampling frame:

- The sampling frame for this research is age upto age 50 years.
- Income factor frame is between Below 30000 ,30000 to 50000, 50000 -80000,80000 plus.
- Frequency of purchase (number of time in a month) .0 to 2 times, 2-4, 4-6,6+
- The frequency of purchase 1,2,3 or more are being observed in this here.

#### Data Collection Instrument

The data is collected through structured questionnaire that will consist of two section.

The first section will focus on demographic variable such as gender, age, occupation, income. The second section will measure the reasons for change in purchasing behavior.

#### Data Analysis and Interpretation

Table No:1

Gender	Responses	Percentage
Male	113	55.4
Female	91	44.6
Total	214	100

#### Interpretation

The survey data shows a striking demographic distribution among respondents. The respondents are divided into 2 groups that are Male and Female where majority 56% are Male and 44% are Female.

Table No:2

Age	Response	Percentage
Below 20	43	21.2
21-30	110	54.2
31-45	45	22.2
46-50	4	2
65 above	1	0.5
Total	203	100

#### Interpretation

The survey data shows as 21% peoples are of below 15 age group, majority 54% are in the 21-30 age group, followed by 22% in the 31-45 age group. The other

respondents are divided the age group of 46-50 which are only 1%, This shows younger subjects in the population studied, while the older age group are less represented.

Table No:3

Occupation	Responses	Percentage
Students	90	41.1
Self employed	60	29.4
Employed	30	14.7
Businessman	24	11.8

Interpretation

The survey data illustrates the diversity of the professional structure of the respondents: 44% are Students, 29% are Self Employee, 15% are Employee and rest of all are Businessman. In term of age group people between 21-30 likely to be students or young workers. This significant proportion of young people in the study population, while older group are smaller.

Table No: 4

Income	Responses	Percentage
10000-30000	68	34
31000-50000	52	26
51000-80000	28	14
80000Above	14	7
Unemployed	38	19

Interpretation

The survey data shows that the majority 34% respondents are under the income group of 10000-30000, 26% respondents in 31000-50000, 14% respondents are under 51000-80000, 7% respondents are above 80000 and rest of all are unemployed.

Table No: 5

The Music playing in the store affects purchase intentions.

Behaviour	Responses	Percentage
Yes	169	82.4
No	36	17.6

Interpretation

The Above pie charts presents the Music playing in the store affects purchase intentions within the customer choice, here is the data shows that maximum customer view i.e 82% Background music has become a major

elements of retail atmospherics as it directly on shopping experiences by influencing customer purchase needs, and overall 18% people not like that music affects purchasing intention.

Table No. 6

Ease of storage of products to be purchased influences purchase behavior.

Behaviour	Responses	Percentage
Yes	137	67.5
No	66	32.5

Interpretation

As per above chart shown, the customer view over they have been actively sought out the there purchase behaviour.

The largest population{customer} that is 67% prefers that storage of products to be purchased influences purchase behaviour and rest of all need to be influences.

Table No: 7

Do Promotion or discount influences your purchasing decision for FMCG products?

Behaviour	Responses	Percentage
Yes	112	59.8
No	34	16.7
Maybe	48	23.5

Interpretation

As per pie chart represent with the trust that Promotion and Discount influences purchasing behaviour of FMCG products, here customer view over largest population with 60% have sure about promotion and discount also 17% population is not sure.

Table No: 8

Low marginal need for the product influences purchase intentions.

Behaviour	Responses	Percentage
Yes	102	50.2
No	52	25.6
Maybe	49	24.1

Interpretation

With the help of above shown pie chart, we analysis that 50% of people are agree with low marginal needs

for the products influences purchase intention and 26% people says no for their needs. The price of products, consumer trust in brands, the quality of branded products and consumer perception also has big role.

Table No: 9

I buy more when I come across attractive and impressive colorful displays.

Behaviour	Responses	Percentage
Yes	124	61.1
No	47	15.2
Maybe	32	23.8

Interpretation

The above chart presents the customer views over how customer buy more when it come across attractive and impressive colourful display, here the data shows that 61% customer says yes with the condition, the major population of 16% thinks neutral and 23% not want that it is attractive and impressive.

Table No: 10

Branded products are available at reasonable price and are affordable.

Behaviour	Responses	Percentage
Yes	114	55.9
No	39	19.1
Maybe	51	21

Interpretation

The above chart presents the customer views over should Branded products are available at reasonable price and affordable for the customer, here the data shows that the 56% population agrees and says Yes that they are getting products at their price which are affordable and on reasonable price 19% population not like and rest of all this maybe they get or not

Table No: 11

DO you agree with "I TRUST BRANDED PRODUCTS"?

Behaviour	Responses	Percentage
Yes	166	81.8
No	37	18.2

Interpretation

When consumer have little information, ambiguous

external clues such as brand image and values concept can help them make decision. If consumer perceive that the concept and image convey by products match their cognitive level, then their trust in the product will enhanced here data also shows that 82% consumer have trust on branded products.

Table No: 12

Where do you primarily purchase FMGC products?

Behaviour	Responses	Percentage
Physical store	145	71.1
Online store	59	28.9

Interpretation

As after COVID-19 Online shopping has become important platform for purchasing the FMCG, it has become convenient for the customer to examine as per their criteria. But in our research yet also customer prefer more to buy from physical store that is 71% where they get customer service, product quality, product assortment, competitive pricing, store location which influence consumer.

Table No: 13

Have you shifted to online shopping for FMCG products more since the COVID-19 pandemic began?

Behaviour	Responses	Percent
Yes	165	81.7
No	37	18.3

Interpretation

The COVID-19 pandemic brought about an increase in online shopping because of government imposed restriction and consumer anxiety over the health risk, consumer may continue to shop online more than they did prior to the pandemic because of their experience during the lockdown and in my research also 82% population shifted to online shopping since the COVID-19 pandemic.

Table No:14

Are you more likely to stick to your favorite FMCG brands or try new ones?

Behaviour	Responses	Percent
Stick to Favorite	126	61.8
Open to try new	78	38.2

**Interpretation**

With the help of above shown pie chart shows as 62% people prefer same product regular basis as both food and non-food items that a consumer need in his or her daily life are included on Fast- moving consumer goods. Consumer regularly buy these products, which are heavily advertised by the manufacturers in an effort to get customers to buy their brands of goods.

Table No:15

How has your overall spending on FMCG products changed in the last year?

Behaviour	Responses	Percentage
Increase	117	57.6
Remain same	76	37.4
Decrease	10	4.9

**Interpretation**

The report said that price increase has led to pressure on volumes of fast-moving consumer goods, as the quantum of price hikes remains firm.

On looking previous year 58% people increase their spending on FMCG products and 37% remain same

**IV. HYPOTHESIS**

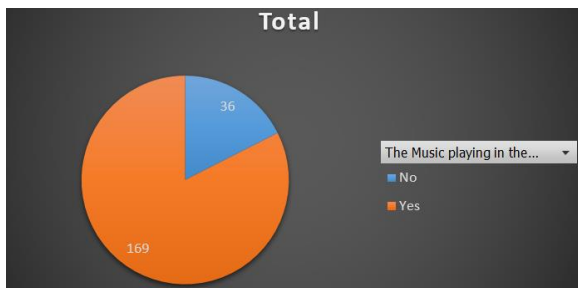
Hypothesis 1: The Music playing in the store affects purchase intentions.

Null Hypothesis (H0): The music playing in the store has no effect on purchase intentions.

Alternative Hypothesis (H1): The music playing in the store significantly influences purchase intentions.

Independent Variable: Music playing in the store

Dependent Variable: Purchase intentions



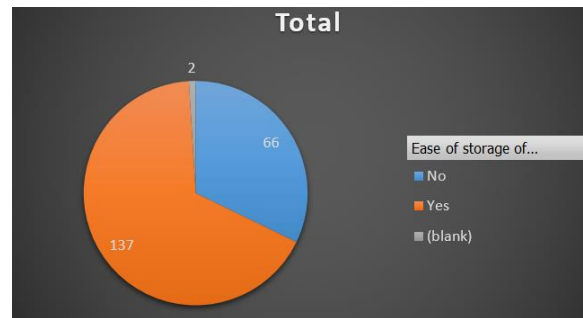
Hypothesis 2: Ease of storage of products to be purchased influences purchase behavior.

Null Hypothesis: Ease of storage of products has no impact on purchase behavior.

Alternative Hypothesis: Ease of storage significantly influences purchase behavior.

Independent Variable: Ease of storage of products

Dependent Variable: Purchase behavior



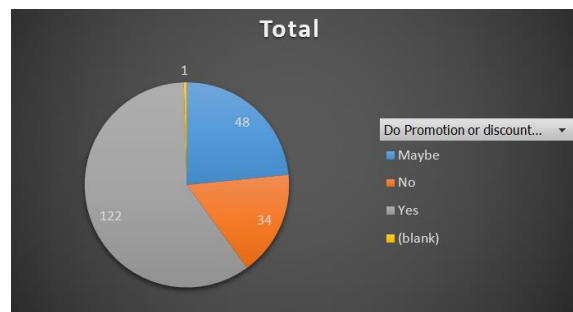
Hypothesis 3: Do Promotion or discount influences your purchasing decision for FMCG products?

Null Hypothesis: Promotions or discounts do not influence purchasing decisions for FMCG products.

Alternative Hypothesis: Promotions or discounts significantly influence purchasing decisions for FMCG products.

Independent Variable: Promotions or discounts

Dependent Variable: Purchasing decision for FMCG products

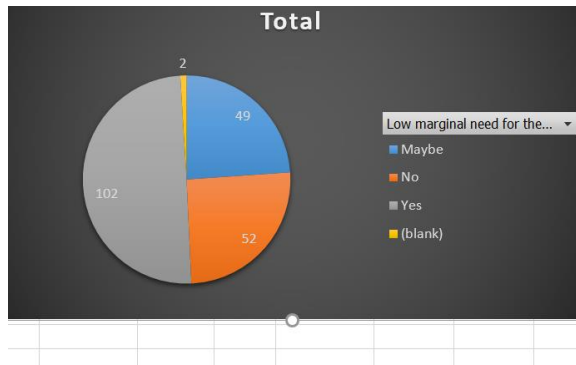


Hypothesis 4: Low marginal need for the product influences purchase intentions.

Null Hypothesis: Low marginal need for the product does not influence purchase intentions.

Alternative Hypothesis: Low marginal need for the product significantly influences purchase intentions.

Independent Variable: Marginal need for the product  
Dependent Variable: Purchase intentions



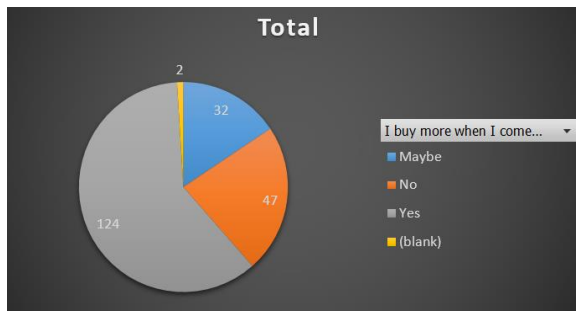
Hypothesis 5: I buy more when I come across attractive and impressive colorful displays.

Null Hypothesis: Colorful displays do not impact purchasing behavior.

Alternative Hypothesis: Colorful displays significantly influence purchasing behavior.

Independent Variable: Colorful displays

Dependent Variable: Purchasing behavior



Hypothesis 6: Branded products are available at

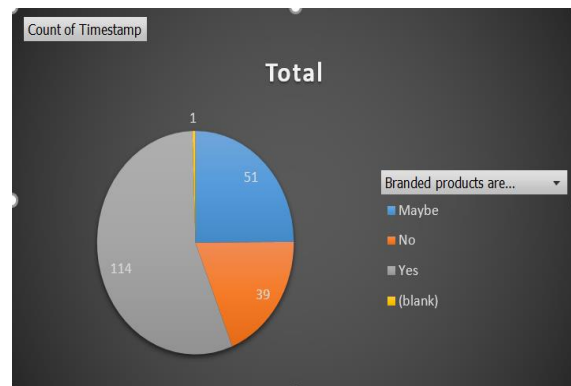
reasonable prices and are affordable.

Null Hypothesis: Branded products are not available at reasonable prices and are not affordable.

Alternative Hypothesis: Branded products are available at reasonable prices and are affordable.

Independent Variable: Price of branded products

Dependent Variable: Perceived affordability of branded products



## FINDINGS AND SUGESTIONS

- Demographic distribution: The study shows that young people predominate, especially in the 21-30 age group, while people from older age groups are less represented.
- Diversity in professional structure: The respondent includes both employees and students, which indicates a balance representation of working people and students.
- Music Affects: Participants have different opinions on while buying FMCG products when they listen music at the time of purchasing.
- Ease of storage of products influence more in purchasing behaviour.
- Customer need more promotion and discount while buying products customer change their mind at time of purchasing when they see discount.
- The environment of store is more important for the customer where it is on staff behaviour or store display and in our research customer need attractive and impressive colourful display.

- While purchasing through physical store or online if the FMCG products get on reasonable price or affordable mind diverted to purchase it.
- In research almost 80% people trust branded products which means customer buy FMCG products on regular basis.
- Almost 70% people want to purchase through physical products but also prefer to buy from online platform.
- After COVID-19 respondent more prefer online shopping and the FMCG products are daily need of customer but more people purchase same product regularly and less shift to try another one.
- As compare to last year data spending for FMCG will increases.

### CONCLUSION

In short, the consumer impulse for FMCG products is favorable in India. When consumers see a store offering free products and price discounts, they are more likely to make impulsive purchases. Income level and visual merchandising have a strong and significant influence on consumer impulse to buy FMCG products in India, especially well decorated ones with colorful surroundings as well as pleasant and calm store environment along with colorful surroundings not just motivating the consumers to buy unintentionally but also build excitement inside the consumer's minds. Window display and visual merchandising have an important role play for consumer's impulse buying. Consumer can be attracted to a store for purchase by settling up a well-designed window display and by insertion up a proper placement of products, packaging and displays of products along with a better presentation of products and store.

### REFERENCES

- [1] Aragoncillo, L., and Orús, C. (2018). Impulse buying behaviour: na online-offline comparative and the impact of social media. *Spanish J. Market.* 22, 42–62. doi: 10.1108/SJME-03-2018-007
- [2] Burton, J., Gollins, J., McNeely, L., and Walls, D. (2018). Revisiting the relationship between Ad frequency and purchase intentions. *J. Advertising*

*Res.* 59, 27–39. doi: 10.2501/JAR-2018-031

- [3] Ding, Y., DeSarbo, W., Hanssens, D., Jedidi, K., Lynch, J., and Lehmann, D. (2020). The past, present, and future of measurements and methods in marketing analysis. *Market. Lett.* 31, 175–186. doi: 10.1007/s11002-020-09527-7
- [4] Gogoi, B., and Shillong, I. (2020). Do impulsive buying influence compulsive buying? *Acad. Market. Stud. J.* 24, 1–15.
- [5] V., R. (2014, October). Study on impulse buying behavior of fashion-oriented Indian youth with respect to visual merchandising. *International Journal of Management and Social Science Research Review*, Vol. 1(4),235-239.
- [6] Verma, P., & Verma, R. (2012, November). An on-field-survey of the impulse buying behaviour of consumers in consumer non-durable sectors in the retail outlets in the city of Indore, India. *Research Journal of Management Sciences*, Vol. 1(4), 1-5.
- [7] Pradhan, V. (2015). Factors affecting impulsive buying behavior among consumers in supermarket in Kathmandu Valley. An unpublished MBA graduate research project report submitted to Pokhara University
- [8] Abratt, R. and Goodey, S.D. (1990), "Unplanned Buying and In-store Stimuli in Supermarkets", *Managerial and Decision Economics*, Vol. 11,