

## THE DETRIMENTAL FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR FOR FMCG PRODUCTS IN THE INDIAN MARKET

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### Abstract

The FMCG sector is the fourth largest contributor to the growth of India's GDP, affecting every individual's life every day. Consumer behavior has an influential role in the marketing of FMCG products. In the current time of globalization, the customer's taste and preferences are dynamically changing with time. So, a marketer needs to find out the influencing factors and their impact on consumer behavior in purchasing fast-moving consumer goods. The main purpose of this study is to measure consumer behavior for using FMCG products and identify the factors affecting consumer purchase intention of FMCG products. The empirical study was conducted to identify the constructs and proposed conceptual model. Structural equation technique was used to test the model and hypothesis defined in this study. The findings suggested that the FMCG product distribution, packaging, Quality, advertising, promotional offers are some factors identified in this study have a significant impact on consumer intention to purchase FMCG products.

**Keywords:** Consumer Behavior, Distribution properties, Packaging, Advertisement, FMCG products, Purchase Intention

### 1. INTRODUCTION

The FMCG sector plays a major role in developed and developing countries. India's FMCG sector has evolved from the phase of industrial licensing to liberalization and now the current phase of global competitiveness (Report, 2013). The economy of India has faced many challenges & opportunities in business, the competition is like globally and technologically, the basic needs of consumers, are continuously changing (Singh, 2019). This research is fundamentally focusing on measuring consumer behavior for fast-moving consumer goods. In India, fast-moving consumer goods are also known as package goods. These products are intended for every day or regular consumption and have a high-profit margin (Bailay, 2003). The excess of the FMCG sector in the Indian economy is US \$ 17.1 billion of the total market size (IBEF Report, 2020). It has considered a prominent MNC presence and is described as a very much balanced distribution network, exceptional fruition between the organized and unorganized sectors, and low operational expense (Mulky, 2013). Accessibility of key resources like low-cost raw material, minimum labor cost, and presence over the whole value chain gives India a competitive advantage (Bhoyar & Nagendra, 2012). The demand for online FMCG products also has been growing very fast, which creates more sales opportunities for many brands. The main segments of the fast-moving consumer goods sector are household care, Personal Care, Food & Beverage and Health Care products (IBEF Report, 2020). Top Indian MNCs HUL (Hindustan Unilever Limited), ITC (Indian Tobacco Company Limited), Colgate Palmolive, nestle, Parley Agro, Britannia Industries Limited, Marico, P&G, The Godrej Group, Amul have a large contribution in the growth of the Indian economy (Report,

2019). Fast Moving consumer goods have been categorized as both food and non-food things that a purchaser needs in his/her everyday life (IBEF Report, 2020). These goods are highly advertised and promoted on a large scale to catch the eye of customers to purchase product brands from retailers or manufacturer (Suganthi, 2016). These products are frequently bought at grocery stores, departmental stores, hypermarkets, and so forth. According to (Leon G. & Leslie Lazar, 2006) the brands are always trying to search for new sales locations and stores for optimizing sales by selling their product and have easily accessible to their customers without any difficulties.

Industries conduct market research and consumer research for proper distribution and positioning of their products. The proper distribution system required for FMCG products to make it effectively accessible for customers when they need it. The properly-designed channel of the distribution system will let companies to circulate the product on a high scale (Kotler, Marketing Management, 2002), (Olariu, 2009). Many Producers uses different channels and broadcasting medium like television to cover an extensive range of audience (Russell, 2002). The online platform creates another vehicle of promotion which is getting more familiarity and utilization. Today, to make promotion and create an advertisement one has to require huge money, great creativity, and a good planning mechanism (AL-Majali & Prigmore, 2010). The effective promotional offers, discounts at the POS, doing trail, or buy is a key action to increase the brand reputation of the manufacturer (Peter & Olson, 2005). The factors like the type of store, income level of consumers, product display, discounts and offers, popularity of the product, behavior of salesperson effects consumer intention to purchases FMCG products (Tinne, 2011).

The present study explored important factors that influence the buying intention of the customers who intend to purchase and also consume FMCG products. Because of the hindered investigation in the field of identification of factors for the execution of FMCG operations (Jayanti, 2017), (Siddiqui & Agarwal, 2017). This study describes the different marketing activities which firms can implement to better understand the customers' requirements. Also, this research provide help to marketer to measure the role of various factors customer think before purchasing FMCG product and create marketing strategies accordingly. This research identifies five common key factors affecting consumer purchase intention for FMCG products; research also measured the relationship of these factors with customer purchase intention. The paper further proceeds with discussing literature review, implementation of research techniques to best define the outcomes of the study. Also, a study explaining the research findings, discussion, conclusion, and future research opportunities.

## **2. THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT**

Consumer behavior for FMCG is defined as the activities they performed while purchasing consuming and disposing of FMCG product (Blackwell, Miniard, & Engel, 2001). The research on consumer behavior doesn't contain the only purpose behind purchasing but also includes the entire consumption process of the customers. India is set to develop into the fifth biggest customer worldwide by 2025 according to the report of (McKinney & company, 2018). In this

situation, creating customer loyalty is currently an entirely new challenge for organizations (Ling, 2013). The customer income level, lifestyle, buying pattern, cultural values may be changed shortly. These demographic shifts have additionally created the requirement for a leader who can stay up with change and relate to and anticipate future demands (Thangasamy & Patikar, 2014). The study explored some factors and measure its impact on the purchase intention of consumers for FMCG products. The literature presented in this research also explaining the same and give support to create a hypothesis.

## 2.1 Distribution Properties

Distribution of products is a very crucial factor for the success of FMCG companies. The companies have to continuously monitor their distribution and make sure that they deliver to customers the right product in the right amount at the right time and right place with the right condition/quality and at a reasonable price (Dong, Tse, & Hung, 2010). It is a very challenging task for the marketer to correctly manage their distribution system. The distribution of product is a very important element of the marketing mix and its highly impacted the profit margin and further growth of any company (Hosseini & Soleymanpour, 2018). The FMCG companies have to give focus on the four elements of distribution properties to increase customer purchase intention (I) Brand Availability (ii) Product Assortment (iii) Visual Merchandising (iv) Store location.

Physical stores can stock just a small portion of the things that manufacturers provide them. They have to deal with this cautiously because product variety is a key driver for the store selection decision. The Assortment of products provided by the brand influences buyer's perception about the Brand, their Brand loyalty, and the amount of time and money they spend in that brand (Heitmann, Herrmann, & Kaiser, 2007). The huge variety provided by the brand engages the customer to think about the brand and increase its visibility for the brand (Jeffrey, 2001). For the manufacturer, the brand's range and its extensive distribution are the part of its marketing strategy; from a business perspective anyway it is faced with a fight for rack space (Chernev & Hamilton, 2009). Eventually, the amount of the brand's range is loaded by a retailer is a function of some size elements (Alexander, 2003b):

- Size of the store.
- Size, importance, the destination of the Category of product
- Size, importance, and identity of the brand.
- Size of the product.

Visual Merchandising is the process of making your brand store either online or offline visually attractive and focuses on highlights the maximum visibility of the product brand. Brands giving more focus on the visual appearance of the brand stores to create a good sensory impression on customers' minds and provide them a good shopping experience (Goud & Kumar, 2016). Visual marketing (VM) is defined as any interaction of the consumer with brands through multiple touchpoints that provide good visual appeal and sensory impression, increase customer's interest and attention towards the brand (Bhatti & Latif, 2014). Visual

merchandising includes window display, product display with proper signage and directions, space management, design, and layout of the store (Mehta & Chugan, 2012), (Ridmi, Sashini, & Hakns, 2011). Retailers today are using the visual merchandising tool to create more visibility of their products in both online and physical stores to differentiate themselves from other customers (Nagadeepa & Pushpa, 2015), (Choudhary, 2016).

Trying to lessen customer buying efforts, retailers attempt to give ample availability of products in retail outlets. Otherwise, shoppers may perceive themselves in stock-out circumstance (Steinhart, Mazursky, & Kamins, 2013). Which gives the customer high disappointment because of the waste of their time, money, and efforts. It affects the business execution of retailers and their suppliers, so, here the issue of the availability of on-shelf product management deserves required attention (Verhallen & Robben, 1994). The product availability in retail stores attracts customers to buy the product from that particular store, which means helps them for the selection of the store. As suggested by (Gruen, Corsten, & Bharadwaj, 2002), when the item is not available at the particular store the chances are high that customer creates a negative perception about that store and brand, they can easily switch to another brand. The availability of FMCG products also increases the profit and growth of that product and brand. Because the FMCG products have high-frequency consumption, fast-moving product, high sale, and high stockout rate (Berger, 2003). So, maintain the stock/ availability of FMCG products is the biggest challenge for retailers. Some other studies (Stozle & Placzek, 2004) also give the opposite results stores with the highest stock-out, always seen as having lower sales margin, because customers do not want to visit that store. Customers generally select those stores where they get all the products in one place; they do not want to move from one store to another. So, the availability of brands also influences customer purchase intention.

H1: The Distribution Properties of FMCG products impact customer purchase intention.

## **2.2 Sales Promotion offers**

Sales promotion is also considered as an effective element of the marketing strategy for accelerating sales of FMCG product brands. The consumer sales promotion offers/Scheme take up a huge share of the total marketing budget. Despite that, it considers as an attractive marketing strategy to attract the potential customer and retain the existing customers (Aggarwal & Vaidyanathan, 2003). It is always treated as a crucial component of the promotion-mix; it provides a huge impact on short-term sales (Siddiqui & Agarwal, 2017). It is therefore not amazing that the many marketers employ sale promotions to attract and pull the competitor's market share.

In FMCG industries sales promotion is required to make a short-term stimulus on the sales of a brand by making customers an exceptional offer. This promotional mix is part of the advertising offers comprised of components, for example, price, product quality, product features and benefits, availability, and customer services (Goel, 2017). It is expected that customers react on the offer, which, thusly, immediately affects the business performance and sales growth of an organization (Karthikeyan & Panchanatham, 2013). The fast-moving consumer goods sector is seeing as increasing the use of sales promotion practices throughout

the world. The sector is identifying by-products having minimum unit cost, requiring regular purchases, consumer behavior reflecting less devotion, impulse purchasing, and low inclusion concerning a customer (Laroche, Pons, Zgolli, Cervellon, & Kim, 2003). Customers wouldn't test various brands while getting sales promotion. A consumer's choice of which brand to purchase and how much amount of that brand to purchase relies upon brand-implicit factors (for example cost and advancement of different brands) and buyer explicit variables (for product availability, promotion, price discounts and offers, and consumer's loyalty with a particular brand (Aggarwal & Vaidyanathan, 2003).

H2: The sales promotion offers of FMCG products impact customer purchase intention

### **2.3 Packaging**

The type of packaging design of FMCG products use as a medium for branding and communication tool is growing rapidly in the current market scenario. This study is an attempt to measure the impact of packaging on consumer purchase intention. The packaging of the products helps customers to deliver useful and relevant information about the product when they search for and process information about product in-store (Rundh, 2005). The product packaging plays an important role in anticipating consumer behavior and helps them on product selection part. It structures at the end of the "promotion chain" (Deliya & Parmar, 2012). Packages also support to convey brand identification, product specification, instruction to use the product, product MRP, list of ingredients, instructions for care of the item (Ahmad T. , 2011). Packaging considers as the "ultimate container of the product" – the packaging of the product attributed to structure/design, labeling, color, shape, weight, and materials utilized (Silayoi & Speece, 2007). The packaging is always considered an important element of marketing to create positioning of the product into the mind of the customers. Customer perception of the product is also influenced by the package designing of the product. Packaging design can be an important factor at the time of point-of-purchase and impulse purchases which portray most of the shopping needs (Ahmad T. , 2011), (Nawaz, Billo, & Lakhan, 2012). Product packaging helps customers to differentiate brands from other competitive brands. The packaging is something that all purchasers interact with before purchasing the product. The packaging of the product is also working as a sensory brand stimulus because it is directly impacted the customer's visual senses (Deliya & Parmar, 2012). The packaging is an extremely strong and unique element of the marketing of products which impacts customer intention to purchase the product (Deliya M. , 2012).

H3: The packaging of FMCG products impacts customer purchase intention.

### **2.4 Advertisement**

The advertisement of FMCG plays a crucial role in creating awareness among customer about the products and also encourage them to purchase and consume the products. The advertisement like celebrity endorsement, communal broadcasting, and promotional offers/schemes is supporting to establish communication between the customer and supplier to interact and engage with their brands (Shukla, Talankar, & Mishra, 2012). People generally are not aware of new products of the FMCG range just because of the poor advertisement. The



companies mainly focusing on their advertising and other promotional activities after the production to sell and distribute their products at a large scale and also to create awareness among audiences (Mela, Carl, Gupta, & Lehman, 1997). Due to the advancement in technology and the rapid growth of digital media, communication has become more advance through the development of more multiple technological channels (Belch & Belch, 2003). Now customers can manage the entire distribution process by just one click. Companies also provide a platform to customers for establishing a direct connection and to serve them better through providing personalized offers (Ahmad, Vveinhardt, & Ahmad, 2014 (Haider & Shakib, 2017). The advertisement is the kind of pre-purchase activity that helps the customer for making purchase decisions (Haider & Shakib, 2017). Advertising is the procedure that makes probability, understanding, inclination, and unavoidably choice towards products and services (Bhatt, Rajeswari, & Jaiswal, 1986). So, the Advertisement media is a very important factor which helps customers for product selection and their intention to purchase.

H4: The Advertisement for FMCG products impact customer purchase intention.

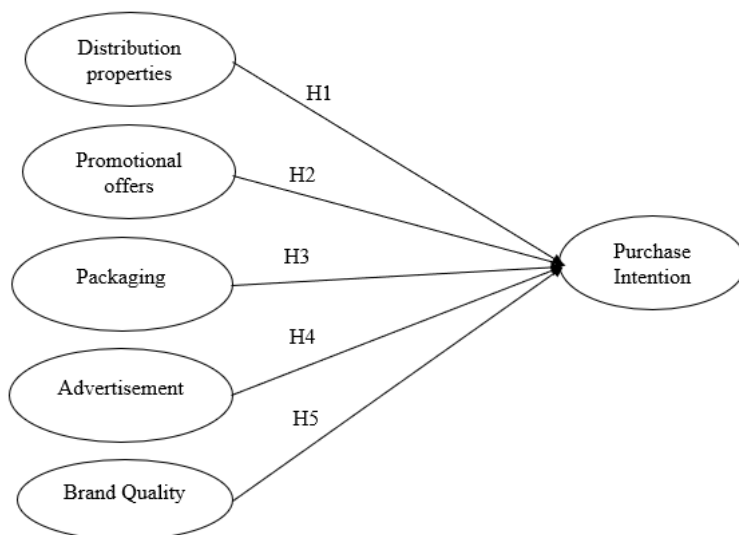
## 2.5 Brand Quality

In the research of (Zeithaml, 1988) suggested that the Quality is described as the consumer's evaluation about a product superiority and prevalence According to (Snoj, Pisnik, & Mumel, 2004). Brand quality is the outcomes from measure the difference between customer expectation and actual performance of products or brand. The brand quality is also one of every major factor in influencing consumer purchase intention of FMCG product (Mehta & Lalwani, 2000), (Baltas & Argouslidis, 2007). The quality is measured through the set of parameters and standards always exists into the mind of the customers. These sets of parameters of quality help customers for comparing the product before making purchase decisions. According to (Saleem & et.al, 2015) the customer evaluates the product in terms of the following quality dimension reliability, performance, durability, ease of use, brand name, price, services offered.

Products are something more than tangible objects with the addition of service parameters, brand name, design, feature, performance, and packaging. The quality of a brand has been associated with the performance of its products and services; it is also related to customer value and satisfaction (Kotler & Armstrong, Principles of Marketing, 2010). The marketer used quality dimensions to create the actual image of the brand in terms of quality in the mind of the customers. Purchasers today are requesting quality products that provide them a good consumption experience as well as increase their satisfaction level (Baltas & Argouslidis, 2007). With the expansion of customers buying power upheld by numerous and flexible financing, plan/scheme increases multiple options for customers to select the best product brand to meet with their expectations (Rao, T.S., & Solis, 1997). Changes in the competition in the market and expanding customer expectations about the quality of the product and customer satisfaction FMCG companies have the challenge to maintain consistency in their Brand quality (Spears & Singh, 2004). To better measure the quality, it is required to get knowledge about the quality dimensions and to understand the quality gaps between “product expected performance” and “the product actual performance” (Rao, Qu, & Ruekert, 1999). This proves that quality influences customer intention to purchase FMCG products.

H5: The Brand Quality of FMCG products impact customer purchase intention.

Based on the above-discussed literature of the factors affecting consumer intention to purchase the FMCG products the authors have drawn a conceptual model (figure 1) for further testing and analysis.



**Figure 1: Conceptual framework**

### 3. RESEARCH METHODOLOGY

#### 3.1 Sample and Data Collection

This study aims to find consumer behavior towards FMCG products and measure the impact of various factors on consumer intention to purchase FMCG products. The growth in the Indian consumer market is largely driven by millions of young people (demographic) and their rising income level. This study is based on the survey method, the Delhi -NCR region was selected for this study. The Delhi NCR has a population of more than 04.61crore (2019 - Survey) and the largest middle - class market for FMCG Industry in the country. A random sampling technique was used to measure the sample. The questionnaire was divided into three sections. In the first section, the questions asked for respondents related to their demographic characteristics, the second section has questions related to consumer behavior for FMCG products. And in the third or last sections, the questions asked to respondents related to the factors affecting the purchasing intention of FMCG products. The questionnaire is randomly distributed to the people for this study who are frequently purchasing, use, and dispose of the FMCG products, to measure their consumer behavior. Out of 300 questionnaires 282 were received and 234 responses are eligible for the study.

### 3.2 Measurement Instrument

The survey instrument for each of the constructs was adapted from the previous literature and slightly modified based on the current context. The scale of advertisement adapted from (Mela, Carl, Gupta, & Lehman, 1997) including 4 items, distribution properties (Chernev & Hamilton, 2009); (Goud & Kumar, 2016); (Verhallen & Robben, 1994) 5 items, Packaging by (Silayoi & Speece, 2007) 4 items, promotional offers by (Aggarwal & Vaidyanathan, 2003) 4 items, quality 3 items (Zeithaml, 1988), for purchase intention( Dodds, Monroe, & Grewal, 1991) 3 item scale identified. A five-point Likert scale was used to measure the responses received. To check out the reliability of scale pilot testing was performed from a sample of 90 respondents and check the Cronbach alpha value that is the coefficient of reliability. The values of Cronbach's alpha for all the items showed good results. It proved that the entire questionnaire was reliable for continued further survey and could be used with confidence to apply the next statistical analysis and interpretation.

### 3.3 Sample demographic characteristics

The sample characteristics are shown in Table 1. As per data, most of the respondents are male belonged to the age group of 35-44 and mostly are young's respondents. Most of the respondents are employed and have income level between 5-10 lakh. Regarding qualification maximum respondents have bachelor's degrees.

**Table 1: Demographic characteristics of the Sample**

Elements	Demographic profile	Number of respondents	Percentage
<b>Gender</b>	Male	126	53.8%
	Female	108	46.2%
<b>Age</b>	15-24	54	23.1%
	25-34	66	28.2%
	35-44	71	30.4%
	45-54	29	12.4%
	55 & above	14	5.9%
<b>Income</b>	less than 1 Lac	18	7.6%
	01-03Lac	29	12.5%
	03-05Lac	45	19.2%
	05-10Lac	84	35.9%
	More than 10Lac	58	24.8%
<b>Qualification</b>	High School	11	4.7%
	Bachelor's Degree	102	43.6%
	Master's Degree	89	38.0%
	Trade School	22	9.4%
	Ph.D. or Higher	10	4.3%
<b>Employment Status</b>	Student	37	15.8%
	Employee government/private	73	31.2%
	housewives	62	26.5%
	Self-employed	55	23.5%
	Retired	7	3.0%
<b>Frequency of purchase</b>	Daily	34	14.5%
	Weekly	48	20.5%
	Once in Month	87	37.2%
	Twice in Month	65	27.8%



### 3.4 Consumer Behavior for FMCG Products

Consumer behavior for FMCG product in India is shown in Table 2. The table explains the consumer behavior regarding the preferred place (store), brand, category and the reason to buy the FMCG products.

**Table 2: Consumer Behavior for FMCG products**

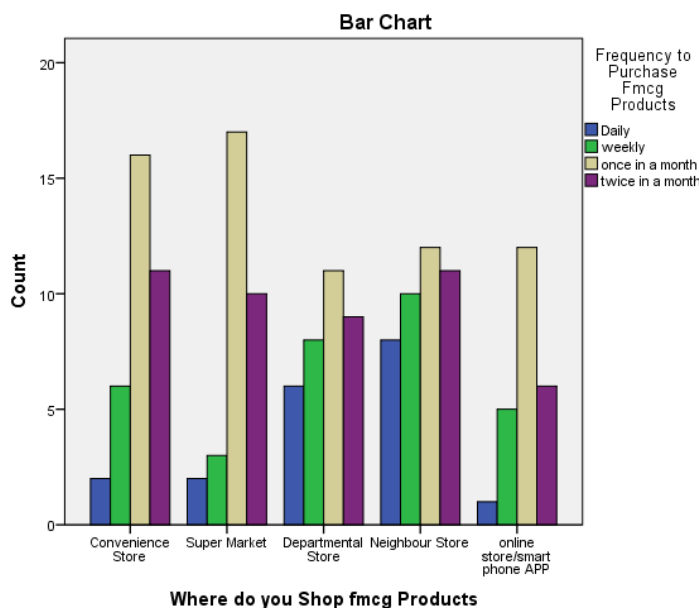
Factors	Determinants	Frequency	Percentage
The place to Shop FMCG Product	Convenience Store	48	20.5%
	Super Market	46	19.7%
	Departmental Store	47	20.2%
	Neighbourhood Store	54	23%
	Online store/App	39	16.6%
Category of FMCG products purchased most	Personal Care	55	23.5%
	Food & beverages	97	41.4%
	household Care	50	21.4%
	Health Care	32	13.7%
Preferred FMCG brands	HUL	81	34.6%
	ITC	62	26.5%
	Nestle	23	9.8%
	Britannia	18	7.6%
	Dabur	15	6.5%
	Others	35	15%
Buying Decision Influenced By	Family	61	26%
	Celebrities	42	17.9%
	Friends	37	15.8%
	Advertisement	45	19.4%
	Communities	27	11.5%
	Social media	22	9.4%
Online presence impact consumption	Yes	112	47.9%
	No	48	20.5%
	Somewhat	74	31.6%
See brand name before buy	Yes	122	52.2%
	No	47	20.0%
	Somewhat	65	27.8%
What type of user you are for FMCG product	Hardcore Brand Loyal	106	45.3%
	Brand Loyal	81	34.6%
	Switcher	47	20.1%
Reason to choose a particular FMCG product	Price	56	23.9%
	Quality	60	25.6%
	Packaging	52	22.2%
	Durability	26	11.1%
	Hygiene	40	17.2%
If a preferred brand is not available at the store	Drop the Idea of Buying the product	55	23.5%
	Go to another outlet	109	46.6%
	Try another brand	70	29.9%

Table no 3 shows the association between the consumer shopping destinations according to their frequency to purchase. The results indicate that daily and weekly shopping customers generally preferred convenience stores, and for monthly and twice in a month customer prefer

supermarkets, convenience stores, and departmental stores. Online shopping customers generally prefer to do once in a month or twice.

**Table 3: The association between place to Shop of FMCG Products and Frequency to Purchase Products**

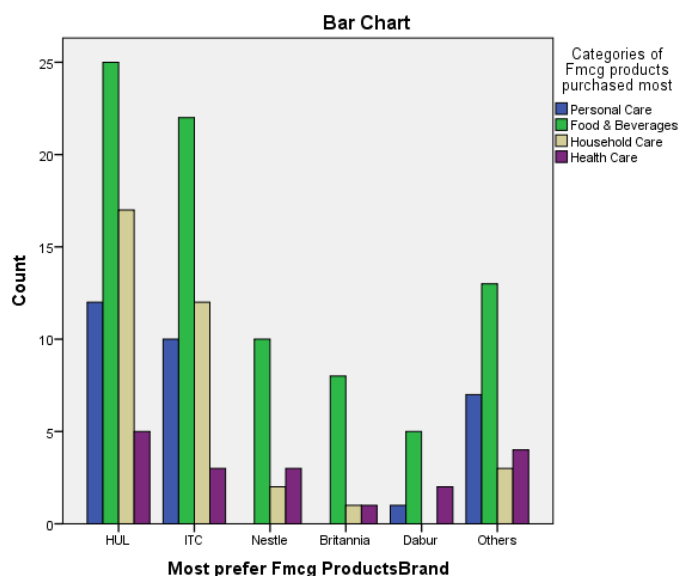
Count		Frequency to Purchase Fmcg Products				Total
		Daily	weekly	once in a month	Twice in a month	
Where do you Shop FMCG Products	Convenience Store	5	9	19	15	48
	Super Market	4	6	22	14	46
	Departmental Store	8	11	16	12	47
	Neighbour Store	13	12	15	14	54
	online store/ smartphone APP	4	10	15	10	39
Total		34	48	87	65	234



The table no 4 shows the association between the consumer most prefer FMCG brand and the category of FMCG products they mostly purchased. According to the table Both HUL and ITC demands for food and beverages (basic food items like Atta, pulses, sugar, salt, and drinks), personal care (Toothpaste, face-wash, soap, shampoo, perfume) products house care (detergent, Toiletries, floor cleaner, house-hold equipment's, etc) products and the health care products ( chyawanprash, Vicks VapoRub, Betadine, Boroplus, Glucon-D, Dabur Hajmola, Vicks Inhaler, etc are limited produces and needed by the consumers.

**Table 4: The association between FMCG product brands and categories of FMCG product**

Count		Categories of FMCG products purchased most				Total
		Personal Care	Food & Beverages	Household Care	Health Care	
	HUL	18	34	21	8	81
Most prefer	ITC	15	24	15	8	62
Fmcg	Nestle	0	13	6	4	23
Products	Britannia	0	11	2	5	18
Brand	Dabur	9	4	0	2	15
	Others	13	11	6	5	35
Total		55	97	50	32	234



### 3.5 Exploratory factor analysis

Table 5 shows the outcomes of exploratory factor analysis. The value of the Kaiser-Meyer-Olkin (KMO) test to check the measure of sample adequacy is .904 means the sample size is appropriate to perform the factor analysis. The factor analysis was performed with the Principal component and varimax rotation. The 6 factors and named according to their nature and characteristics. The factors extracted from the factor analysis are named distribution attributes, packaging, promotional offers, advertising, product quality, etc. All the factors have factor loadings greater than .6 which consider as good for explaining any construct (Hair, Black, Babin, & Anderson, 2010).

**Table 5: Exploratory factor analysis results**

	Component					
	1	2	3	4	5	6
The location of the store	.872					
The availability of a product in the market	.862					
The stock of FMCG products	.841					
Visual merchandising of FMCG product	.780					
The Assortment of FMCG product	.767					
Information printed on the package		.834				
Size of the packet		.819				
Design and color of the package		.807				
The material of the package		.770				
Price off/extra quantity			.822			
Discount/Coupons offered by FMCG product			.795			
Brands						
Sales on FMCG Brand			.792			
Bundling offer			.757			
Inform about FMCG brands/and its products				.773		
Keep aware us about any sales discount or offers				.751		
creates FMCG products brand image				.715		
Consistent Brand performance					.882	
reliability/trust of FMCG Brand					.847	
Consumption experience of FMCG Band					.740	
I have a positive intent to buy FMCG brand						.805
Re-purchase the brand in the future						.757
recommend others to use FMCG brand						.654

### 3.6 Measurement Model

To evaluate the construct items measurement model needs to be developed. The measurement model was graphically represented in the AMOS software to confirm the factors identified through exploratory factor analysis. Further, draw the covariance among each factor. After that the construct reliability and validity were measured. The result of the reliability analysis is shown in table no.6. The reliability of all the factors extracted from the EFA test was measured. The Cronbach's alpha value for the factor's distribution attribute, packaging, sales promotion, advertising, Brand quality, and purchase intention greater than .70 means the construct is reliable for study and has good internal consistency. After measuring the reliability of all the constructs further validity of constructs was measured. The validity of constructs was measured from convergent and discriminant validity (Schwarzer, 1986). For convergent validity, the value of CR (critical ratio) and AVE (average variance extracted) were calculated. The value of CR should be greater than .7 and AVE greater than .5 and the value of CR should be greater than AVE. Results show that all the factors have CR and AVE values within threshold limits, so the study suggesting constructs have strong convergent validity (Hair, Black, Babin, & Anderson, 2010).

**Table 6: Reliability and Validity of Constructs**

Constructs	R	CR	AVE	ASV	MSV
Distribution attribute	.944	0.954	0.81	0.223	0.361
Packaging	.875	0.878	0.644	0.196	0.251
Sales Promotion	.879	0.878	0.645	0.221	0.286
Advertising	.875	0.878	0.643	0.339	0.459
Brand Quality	.928	0.932	0.822	0.266	0.369
Purchase Intention	.822	0.824	0.609	0.31	0.459

The discriminant validity test has measured the value of MSV (maximum variance extracted) and ASV (average squared variance). The value of AVE should be greater than of MSV and ASV (Fornell&Larcker,1981). Results show that all the constructs have good discriminant validity. All the values were shown in Table 6.

The measurement model was tested to measure the fitness of the model and constructs used in this study. Now to analyses the measurement model uses the MLE method (maximum likelihood Estimates). To check the validity of the measurement model the number of parameters defined Cmin/df (Chi-square/ degree of freedom), CFI (comparative fit index), TLI (Tucker-Lewis index), AGFI (Adjusted goodness of fit) these are the indicator of goodness of model fit but RMSEA (Root mean square error of approximation) value used to measure the badness of fit (Rahman, Shah, & Rasli, 2015). All the values are shown in Table 7:

**Table 7: Measurement Model Fit Indices**

Fit Measure Indices	CMIN/DF	CFI	AGFI	TLI	RMSEA
Values	2.25	0.932	0.812	0.911	0.064
Threshold Values	Less than 3	>=0.95	>=0.80	>=0.90	<=0.10

### 3.7 Structural Model (Testing of Hypothesis)

The impact of factors affecting consumer purchase intention of FMCG products measured through the structural model measurement. Whether the hypotheses were accepted or denied, the results derived will be used to prove the hypotheses (Table 8). The findings indicate that the R-square value of purchase intention is .528 greater than zero which shows that model is a good fit and significant. The result shows (Table 8) that all the factors have a positive impact on consumer intention to purchase. The Packaging ( $\beta=.23, \rho \leq .05$ ), Distribution properties ( $\beta=.27, \rho \leq .05$ ), sales promotion ( $\beta= .23, \rho \leq .05$ ), Brand Quality ( $\beta=.37, \rho \leq .05$ ), Advertising ( $\beta = .31, \rho \leq .05$ ) were positively and significantly impacted the customer intention to purchase FMCG products.



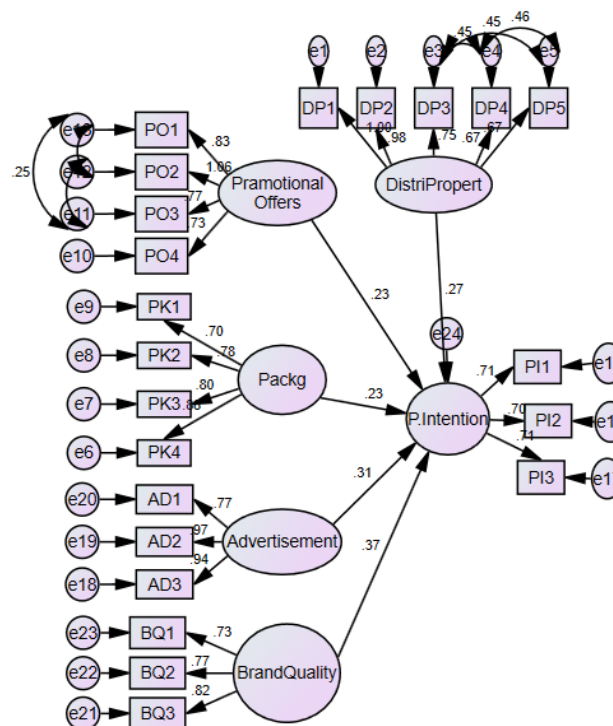
**Table 8: Testing of Hypothesis**

	Estimate	S. E	C.R.	P	Hypothesis
DistriPropert-> P. Intention	0.266	0.031	4.08	***	H1: Supported
PramotOffers-> P. Intention	0.229	0.049	3.306	***	H2: Supported
Packaging-> P. Intention	0.225	0.046	3.689	***	H3: Supported
Advertisement-> P. Intention	0.31	0.038	4.577	***	H4: Supported
Brand Quality-> P. Intention	0.369	0.044	4.831	***	H5: Supported

To check the fitness of the structural model the number of parameters defined to evaluate Cmin/df, CFI, AGFI, and TLI, these are the indicator of goodness of model fit but the RMSEA value used to measure the badness of fit (Rahman, Shah, & Rasli, 2015). All the values shown in (Table 9) are within the threshold limits that show the model is well fitted in this study.

**Table 9: Structural Model Fit Indices**

Fit Measure Indices	CMIN/DF	CFI	AGFI	TLI	RMSEA
Values	2.84	0.917	0.803	0.891	0.082
Threshold Values	Less than 3	>=0.95	>=0.80	>=0.90	<=0.10



**Figure 2: Structural Model**

#### 4. RESULTS AND DISCUSSION

From the result of the study, it is found that all the factors distribution properties, packaging of goods, promotion offers, brand quality, and advertisement are positively impacted the customer purchase decision of FMCG products (Shown in Figure 2). Also, the findings suggested that brand quality has the most significant impact on customer purchase decisions of FMCG, so brands have to give focus on the performance and quality of their products to increase customer interest. Next brands also need to consider that they have to create maximum visibility of their brands through advertising their products through various media channels. Advertisement always helps to create the image of the product in customers mind and increase customer awareness for brand advertised. So, advertisement is another highly influencing factor. Next, the manufacturing brands also need to focus on the proper distribution of FMCG products into the market. The timely distribution can reduce the risk of stock out conditions of stores and the availability of products in the various places of distribution centers like retailers and warehouses always be maintained. The brand also checks the shelf space and shelf position of their products at the retailer's place to provide the maximum visibility of the product at the point of purchase, the product assortment also increases the visibility of brands in customers mind and influences their purchase decision. The location of the retailer's store and the delivery of the product at the customers place also impacted their purchase decision. The fourth most influencing factor is Promotional offers brands need to offer different promotional schemes to their customers like sales discount, free samples, price off, bundle offers, buy one get one free, and providing gift vouchers and coupons to their customers. The Last most important factor to impact customer purchase decisions is the packaging of the product. The packaging is always considered as the communication tool of the brand. it is treated as the container of the product and provide the protective shield to it. Packaging of the products has contained all the information about the product including brand name, logo, ingredients details, price quantity, use instruction, and warning to use the product. The packaging also works as the sensory stimuli to provide a good sensory impression to the customer about the brand, so the packaging of the product should be attractive, colorful and have quality.

#### 5. MANAGERIAL IMPLICATIONS

The growth of any company depends on its potential of recognizing the purchase decision process of consumers along with the factors influencing their behavior intention and creating the firm offerings matching with those factors and purchase process. The firms need to focus on individual customer preferences and try to serve their demands in a better way. To maintain the proper customer base either attraction of potential customers and retention of existing customers is a very challenging job for the marketers. The FMCG market environment is full of competition, many competitive players of the same product offering their products with an attractive and unique feature. So, survival is not easy here. The consumption of FMCG products is frequently and the products are usually not very expensive, so the chances of switching are very high. The FMCG brands need to focus on their distribution network, it is essential for the brands to increase the availability of the product into the market, to avoid stock out condition. In stock out conditions, there is a high chance that customers can switch to another brand. Apart

from availability the product assortment and the placing of the products at the retailer's store also matter to impact customer's purchase decisions. Maximum visibility creates customer's attention towards that brand and sometimes creates their unidentified needs. The sales promotion offers like buy one get one free, extra discount, price off, free sample distribution, scratch coupon, gift vouchers, festive and season sale offers, and bundle price discount also encourage customers for purchasing of products. In the case of promotional offers sometimes customer purchases the product in advance which have not immediate needs but they purchase just because they found good deals. Firms can also provide personalized offers to their customer to make a strong connection with them. The packaging of the product always creates a sensory impression, so the design, color, shape, and the size of it should be very attractive. Packaging generally considers as provide protection to the product from damage and also works as a communication tool. All the information printed on the package help customer to identify the brand and give complete information regarding Brand Name, ingredients, cautions to use and price of the product. So, the product packaging should be very attractive and good quality material should be used for designing because this gives the first impression to the customer before purchasing the product. The advertising also plays a crucial role in creating the image of the products into the mind of their customers and also increase their awareness for brands offerings. Advertising is the most influencing tool of brand communication which has maximum reachability and also helps to create customer association with the brand. The companies can also give personal attention to their customers by creating a personalized advertisement to serve their preferences in a better way. Firms should concentrate more on nearby local grocery stores because most of the consumers in our country prefer to purchase the product in local grocery stores instead of supermarkets. It will create more benefit for firms if they customize their products and offers as per their customer's needs

In the present study, we found that according to age most of the young customers are highly involved in the purchasing of the FMCG products. The category of product purchase is mostly food and beverage items. The most preferred brand is Hindustan lever Limited among Indian consumers. Most of the respondents preferred brand name before purchasing the product and their purchase decision is highly influenced by their own families. The online presence of various retailer stores and manufacturing brands impact consumer purchase frequency and consumption experience. Especially in this COVID-19 situation customers are more involved in digital purchasing. The firms are getting more profit who increases their online presence in this current situation of COVID-19. The government also promoting digital purchasing and digital payment in this situation to encourage people to stay home and stay safe.

## **6. LIMITATIONS AND FUTURE SCOPE OF THE RESEARCH**

Despite the significance of the factors identified to know its impact on consumer purchase intention of FMCG, it has some limitations. The first limitation of this study is simply the sample size is small to measure consumer behavior. In a future study, we could take the sample size higher to make this research more representative. Second, the research is considering the entire FMCG industry in the future we can take any particular brand or product and measure consumer behavior. This research tried to consider the effect of certain factors on customer

purchase intention. But this research study can further become more powerful if we additionally consider a couple of factors that profoundly influence customer purchase decision that are Brand value, brand image, store attributes, government association, competitive advantage and word of mouth.

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