A Study on factors influencing the buying intention of consumers toward FMCG products

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I. Abstract

Customer buying behavior is the final consumer's purchasing habits. The person in what he is and the customer in his decision-making process, buying routines, purchasing behavior, the brands he buys, or the stores he visits are influenced by various variables, specificities, and characteristics. Each one of these variables contributes to a purchase choice. Individuals and consumers are guided by their culture, subculture, socioeconomic class, affiliations, families, personalities, and psychological variables. They are affected by cultural patterns and their social and societal surroundings. Brands have the chance to create a strategy, a marketing message (Unique Value Proposition), and advertising campaigns that are more effective and more in line with their target consumers' needs and ways of thinking by identifying and understanding the factors that influence their customers. This is a real opportunity to meet the needs of its customers better and boost sales. The consumer's decision-making process, buying routines, purchasing behavior, the products he chooses to purchase, or the stores he visits are all influenced by various variables, specificities, and characteristics. An investigation into the factors influencing the purchasing plans of Fast-Moving Consumer Goods (FMCG) consumers was done at Thapar University using a sample of 144 people. Determinants of customers' purchasing intentions, company image, product quality, accessibility, and Trust were examined. It was discovered that these factors had a favorable relationship with purchasing intentions. The concluding part discusses and makes recommendations regarding the implications of these findings for marketers.

Keywords: Business research, Fast moving consumer goods (FMCG), Buying Intention

II. Introduction

The process of gathering and analyzing data about company operations and plans in order to make wise choices is known as business research. It entails gathering, analyzing, explaining, and presenting data pertinent to an organization's operations, marketplaces, clients, rivals, and market patterns. However, in this case, the customers' Buying Intentions are the primary emphasis. Let us use an example to comprehend the buying purpose better. One individual gets an umbrella during a rainy season out of necessity, while the other does so off-season to get a better deal. They may have the same desire to purchase, but their driving forces are distinct. This shows that given the differences in the variables influencing their purchasing plans, neither of them may have a positive buying impulse in this specific situation. One is motivated by a need, and the other by a wish for a superior value.

Why is knowing the buying intention of consumers so important?

History has taught us that when organizations fail to consider their customers' needs and wants, they soon become outdated, unable to keep up with the times. For example, introducing cars threatened the railway industry, which neglected the customers' desire for convenience. Similarly, radio manufacturers did not anticipate the demand for television and, as a result, suffered. Hence it is imperative to understand the mindset of the consumers that purchase your Product or services[3]. The data obtained from the survey was analyzed with the help of SPSS statistics software. Reliability tests and regression analysis were performed to test the hypothesis.

Significance of this business research model

- Aids in recognizing customer needs and preferences: Company research assists companies in recognizing the needs and desires of their intended customer base.
- Assists in comprehending market trends: By examining market trends, businesses can stay ahead of their rivals and make products that are in demand. Business research helps companies to stay up-to-date with changing consumer inclinations and market dynamics, which can help them alter their strategies and products as needed.
- Assists with product formation: By researching, businesses can spot gaps in the market and make new products that meet consumer needs. This can help businesses to obtain a competitive edge and increase their market share.
- Aids in forming effective marketing strategies: Business research can help businesses to create effective marketing strategies by determining the most efficient channels to reach their target audience. By understanding consumer behavior and purchasing intentions, businesses can create advertising campaigns connecting with their target customers and boosting their brand recognition.

III. Problem Formation

This research aims to identify and analyze the factors that affect consumer buying intention of Fast-Moving Consumer Goods (FMCG) products. FMCG products are daily essential goods such as food, beverages, personal care, and household items consumed frequently and purchased frequently by consumers. The research is conducted using both primary and secondary data. Primary data is collected through surveys and interviews with consumers who have purchased FMCG products. Secondary data is gathered from academic journals, books, and industry reports. Data analysis uses statistical techniques such as regression analysis and reliability factor analysis. The expected outcome of this research is to provide insights for marketers and manufacturers of FMCG products on how to enhance consumer buying intention and ultimately increase sales. This study will also contribute to understanding consumer behavior and marketing in the FMCG industry.

IV. Literature survey

Buying Intention is defined by Halim and Hameed (2005) as the proportion of customers who have expressed a desire to rebuying a particular good in the future. In & Kang (2011) define Buying intention in relation to four consumer behavior, including the undeniable Intention to buy the Product, the unmistakable belief that one will buy the Product, thinking about buying the Product in the future, and buying the exact product outright. According to Fandos and Flavian (2006), the phenomenon of Buying Intention refers to the customer's predicted short-term behavior about the repetitive Buying of a particular product or when someone has decided to buy the Product whenever they revisit the market [1]. A Buying intention is a covert commitment to rebuying the item on the next visit to the store. This is a multi-step process where the consumer first gathers information about the desired brand, then assesses its qualities by using the Product to see if it fits with the buyer's intentions and then starts considering making a Buying decision after making one Buying attempt of the specific brand. This consumer has experienced first-hand and would now have complete product knowledge if the consumer is satisfied with the particular brand[7]. Brand image, product quality, understanding of the Product, involvement with the Product, product qualities, and Trust are some independent variables that favor Buying Intention. Each of them will be covered individually[5]. Brand image, according to Arslan and Altuna (2010), is the impression that customers have of a company when they suddenly think about it or when they recall past experiences. According to them, favourability, strength, and distinctiveness are the three elements of brand image that together make up the brand's overall perception.

Meenaghan (1995) defines brand image in terms of customer attitudes towards a specific brand, which helps to highlight it and think of the buyers in the significant way to make the Product different from others[2]. A major factor influencing purchasing intention is brand image. It encourages people to spend more money on a specific brand with a positive brand image. Customers are compelled to make buy intents several times, which aids in their decision-making about which brand is the best choice for them. Long-lasting connections between the Product and its end customers are facilitated by a strong brand image.

To improve brand personality in the marketplace and boost product sales, it is a very beneficial strategy. The three main components of a brand's image are its advantages, brand personality, and product features[5]. The Intention to Buying will increase as brand perception increases. Chi, Yeh, and Huang (2008) investigated the impact of brand image on consumer Buying intention. To determine whether the brand image is significantly and favourably related to the Intention to buy, they devised 53 questions in six segments. The brand image has a substantial positive link with the Buying intentions of consumers, according to research by Linet et al. (n.d.). Brand image was investigated by Eze, Tan, and Yeo (n.d.) to determine how it affected consumer Buying intentions. Students between the ages of 18 and 25 were used to gather the data[4]. Additionally, we discovered and established a solid link between brand image and consumer buy intent. We can formulate our hypothesis based on the findings mentioned above. It covers the Product's manufacturing design and structural layout. So, we derive the hypothesis:-

H1: Brand Image has a significant and positive relationship with Buying Intention.

Jensen (2011) defines Trust as a method of determining the current number of customers for a specific brand. It can be assessed using two methods: behavioural and attitudinal. The first approach depicts customer Buying behaviour towards a brand, while the second depicts their relative preference for a specific brand over others. Ou, Shih, Chen, and Wang (2011) define Trust as an implied promise to rebuying the meticulous merchandise[5]. It increases consumer motivation to Buying. They mentioned building strong customer relationships, and consumer loyalty programs can increase Trust. Moraga, Parraga, and Gonzalez (2008) define Trust as consistent purchasing habits. Trust is achieved when customers exhibit repeat Buying behaviour towards a specific brand. Loyalty is a result of customer satisfaction; if customers are satisfied with the brand's functions, they become loyal to the brand and become price insensitive, with a solid desire to Buying the Product at any cost. Trust contributes to the region's brand equity. Certain behaviours developed in consumers because of Trust, such as positive attitudes towards the brand, insensitivity to the price of the preferred brand, unpleasant feelings if the preferred brand departed unexpectedly, and brand recommendation to others. Finally, Trust has a significant impact on Buying decisions[9]. Chi, Yeh, and Yang (2008) used a questionnaire to collect data from 150 respondents to determine the effect of Trust on Buying Intention. They demonstrated that there is a link between buying Intention and Trust. Jalilvand, Samiei, and Mahdavania (2011) investigated the impact of Trust on Buying intent. They confirmed that Trust has a positive effect on Buying Intention based on 242 observations from multiple respondents. As a result, we can form a hypothesis.

H2: Trust has a significant and positive relationship with Buying Intention.

Prior research has suggested that when the reasons for lack of product availability are clearly stated and linked to high demand (Verhallen 1982) or product scarcity (Amaldoss and Jain 2005,2008; Fromkin et al. 1971; Lynn 1992; Verhallen1982), then lack of product availability serves as an important clue about product benefits[2]. According to Amaldoss and Jain (2005), the strategy of limiting production quantity, restricting product availability through exclusive distribution channels, or through legal action, increases the perceived value of products even for items such as cookies. Verhallen (1982) investigates the effect of availability degree (low to high) and cause of unavailability (unexplained lack of availability, unavailability due to popularity, unavailability due to limited supply, and unavailability due to both limited supply and popularity) on consumer preferences[6]. According to the findings, when a lack of product availability is perceived positively, it influences Buying intentions through consumer involvement. When a lack of product availability is perceived negatively, however, it influences Buying intentions through perceived feasibility, regardless of consumer involvement. Thus, our hypothesis is: -

H3: Ease of Availability has a significant and positive relationship with Buying Intention.

According to Dunk (2002), a product's quality is determined by how well it satisfies the needs of its intended consumers, which may encompass a variety of features. This quality will unquestionably improve the Product's functionality. According to Vonderembs and Raghu Nathan (1997), ensuring that consumers' wants are met at the production level requires understanding and measuring the market's demands and re-engineering and redesigning existing products to meet those demands. A multi-step approach was used to examine customer wants and make modifications to the Product to ensure improved quality and performance with the goal of building the "house of quality." The most critical aspect in determining Buying intention is product quality. To improve product performance and meet customer expectations, it is a continual process improvement process that is constantly evolving[1]. As a result of the competitive climate, quality should be enhanced over time. Lastly, it provided the team with all the tools they needed to identify the underlying problems and then develop a solution to ensure higher quality[8]. Tsiotsou (2006) examined how perceptions of product quality and general satisfaction affected consumers' buying propensity. After conducting numerous tests and analyses, the researcher established that there is a positive association between product quality and consumer Buying intention. The study's survey questionnaire was used to collect data from 144 university students using a survey (2023). A positive relationship between product quality and consumers' buying intentions was discovered.

H4: Product quality and purchasing intentions are significantly and favorably correlated.

V. Methodology

This study employs a quantitative research design, using a survey questionnaire to collect data. The sample size was determined using a statistical formula. The study targeted young consumers who have purchased FMCG products in the span of the last three months to a year. The survey was conducted through an online platform and distributed to a random sample of educated consumers across various regions. The questionnaire consisted of closed-ended questions that enabled the researcher to collect data in a systematic and organized manner. The data collected was analysed using statistical software SPSS version 29. The collected data was analyzed using descriptive statistics such as frequencies, percentages, and means to describe the demographic characteristics of the respondents. Inferential statistics such as correlation analysis, regression analysis were used to test the research hypotheses. This study followed ethical guidelines, protecting privacy and confidentiality. Respondents were informed about the purpose and gave consent before taking the survey. Our proposed research model is shown as below :

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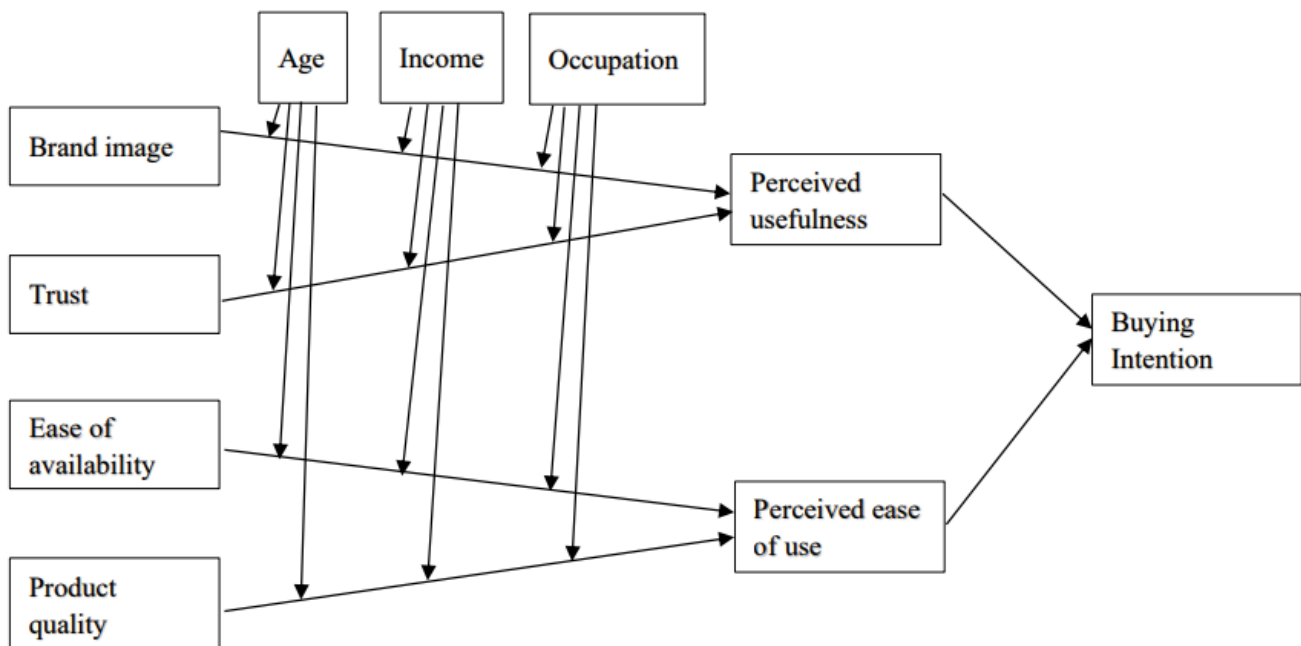
VI. Analysis/Result

Table1: Demographic Characteristics of respondents: (N=144)

Characteristics	N	Percentage
Gender:		
Male	96	66.2%
Female	49	33.8%
Age(in years):		
Below 18	7	4.9
18-25	119	82.6
Above 25	18	12.5

Among the students of Thapar Institute of Engineering and Technology Patiala, India, 200 questionnaires were distributed. Out of these, 144 were collected, and all of them were found to be usable. In the collected sample, there were a total of 91 males (66.67%) and 53 females (33.33%). The majority of the respondents (82.6%) fell within the age range of 18-25 years, with 119 people falling within this category. There were 18 individuals (12.5%) who were above 25 years, while 7 people (4.9%) were below 18 years of age.

Table2: Occupational Characteristics of respondents: (N=144)

Characteristics	N	Percentage
Occupation:		
Student	112	77.8
Employed	23	16
Others	9	6.2

In the collected sample, there were a total of 144 responses. The majority of the respondents (77.8%) were students, with 112 people falling within this category and other 15% respondents were employes.

Reliability Analysis

The consistency and stability of a measure or tool are evaluated using the statistical method known as reliability analysis. Popular software called SPSS (Statistical Program for the Social Sciences) is used for statistical analysis, which includes dependability analysis. The reliability measures you chose, such as Cronbach's alpha, the inter-item correlation matrix, and the standard deviations, will be included in the result produced by SPSS. These findings can be used to evaluate the validity of your measurements and determine whether adjustments or enhancements are required. In reliability research, the measure of internal consistency dependability known as Cronbach's alpha is frequently used. It determines how closely linked the components of a scale or instrument are to one another and estimates how reliable the scale is.

Interpreting Cronbach's alpha:

Higher numbers denote more excellent internal consistency dependability. Cronbach's alpha has a range from 0 to 1. For research reasons, a value of 0.7 or greater is typically accepted, though the precise acceptable value may vary depending on the scale's characteristics and planned use. If the scale's Cronbach's alpha value is less than 0.7, one should think about changing or getting rid of some of its elements to make it more reliable.

Variables	Cronbach's alpha	Cronbach's alpha based on standardized items	Number of items	Mean	Variance	Standard deviation
Brand image	0.732	0.735	5	17.55	13.130	3.624
Trust	0.732	0.735	4	15.16	9.254	3.042
Ease of availability	0.801	0.803	5	18.12	13.322	3.650
Product Quality	0.769	0.770	4	15.15	9.538	3.088
Buying Intention	0.819	0.815	7	26.75	23.294	4.826
All variables	0.920	-	25	86.58	169.629	13.024

From the above figure, we find out the analysis of the overall reliability of all the variables. Because Cronbach's Alpha value is more significant than 0.6, we may conclude that all of the question variables are reliable. It means that we can use it as a tool for gathering the data. In order to test the hypothesized relationships, the study utilized a survey instrument. To ensure the comprehensiveness, clarity, consistency, and readability of the survey instrument, the researchers initially developed a draft of questionnaire items based on the existing literature

Regression Analysis

One dependent variable (often represented as Y) and one or more independent factors are examined using regression analysis, a statistical method (often denoted as X). In order to describe the connection between the dependent and independent variables and to calculate the effects of changing one or more of the independent variables on the dependent variable, regression analysis is used. A popular software program for statistical research is SPSS (Statistical Program for the Social Sciences). It provides several tools and options for regression analysis. Information from the output contains the coefficients, each variable's significance level, the modified R-squared value, and the ANOVA chart. The correlation coefficient has a range of -1 to +1. Positive correlations show a downward connection between two variables, while negative correlations show the opposite.

Model Summary

R and R-squared values are vital statistics in regression analysis that can be obtained using statistical software like SPSS. R is the correlation coefficient, which measures the strength and direction of the linear relationship between the predictor variables (independent variables) and the response variable (dependent variable). It ranges from -1 to +1, where -1 represents a perfect negative correlation, 0 represents no correlation, and +1 represents a perfect positive correlation. R-squared, also known as the coefficient of determination, is a measure of the proportion of variation in the response variable that can be explained by the predictor variables. It ranges from 0 to 1, with higher values indicating a better fit of the regression model to the data. In SPSS, the R and R-squared values are typically reported in the output of a regression analysis.

All variables
Model summary

R	R square	Adjusted R square	Std. error of estimate	R square change	F change	Sig. F change	Durbin Watson
.878	.771	.758	.287	.771	61.560	<.001	2.007

From the above results, it can be understood that the influence of all the independent variables upon dependent variables (Buying Intention) is 0.771 or 77.1%

Anova

	Sum of squares	df	Mean square	F	Sig.
Regression	30.413	6	5.069	61.560	<0.001
Residual	9.057	110	.082		
Total	39.470	116			

We can see that the Significance value of Anova is less than 0.05. So, our research model is significant. Thus, the independent variables are helpful predictors of the dependent variable.

Coefficients

	Unstandardized B	Coeff std. error	Standardized coeff Beta	t	Sig.	95% confidence interval for B lower bound	95% confidence interval for B upper bound
(Constant)	-.624	.269		-2.315	.022	-1.157	-.090
Brand image	.153	.059	.168	2.612	.010	.037	.270
Trust	.512	.071	.428	2.255	.026	.015	.227
Ease of availability	.182	.071	.195	2.575	.011	.042	.322
Product Quality	.124	.059	.141	2.112	.037	.008	.241

The Coefficients in regression analysis represent the slope of the line that describes the relationship between the dependent variable and each independent variable. They are estimates of the amount by which the dependent variable will change for each unit change in the corresponding independent variable, holding all other independent variables constant. The constant value of (-0.624) means that customers will not buy FMCG products when there is no change in independent variables. All the independent variables (Brand image, Trust, Ease of availability and product quality) have Significance value less than 0.05, so we will accept their null hypothesis that they affect the buying intention of customers to buy FMCG products.

Coefficients

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.1582	4.9472	3.8214	.58127	144
Residual	-1.26924	.86048	.00000	.37083	144
Std. Predicted Value	-4.582	1.937	.000	1.000	144
Std. Residual	-3.375	2.288	.000	.986	144

a. Dependent Variable: Buying_Intention

Histogram

Dependent Variable: Buying_Intension

Mean = -7.04E-15
Std. Dev. = 0.986
N = 144
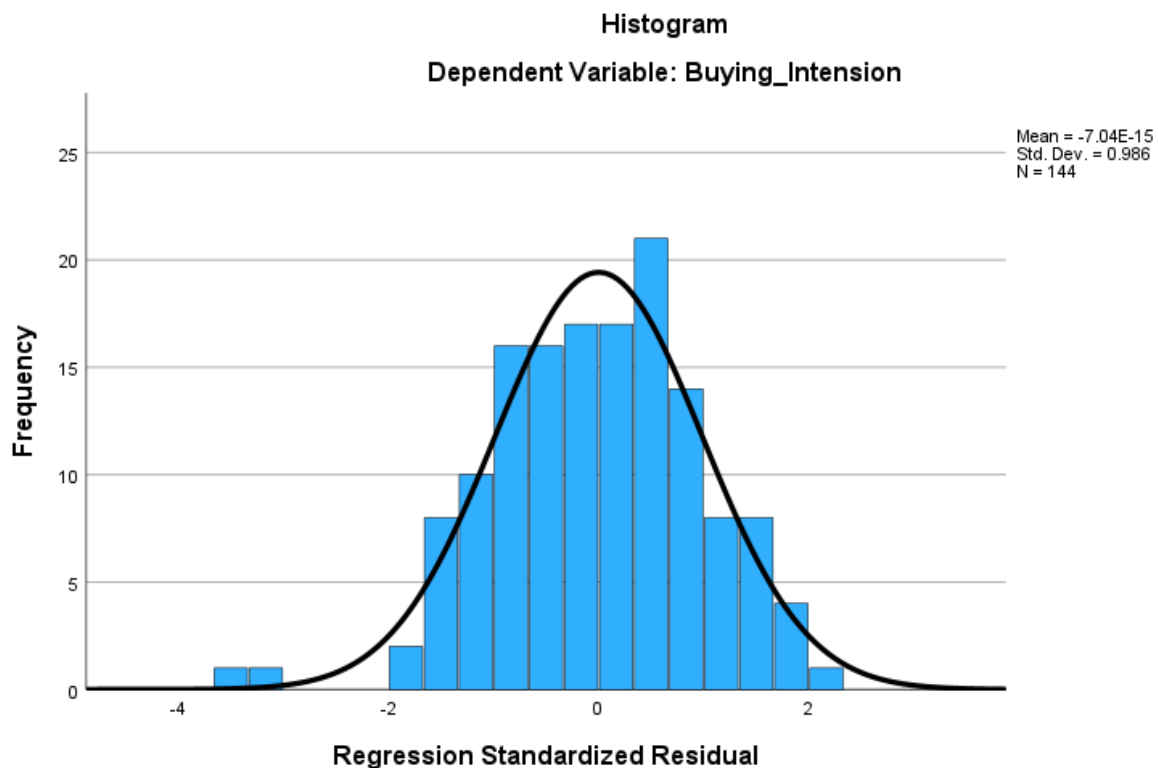
- The mean of the predicted values is 3.8214, which suggests that the model, on average, predicts a buying intention score of around 3.8.
- The standard deviation of the predicted values is 0.58127, which indicates that the predicted scores are relatively tightly clustered around the mean.
- The minimum and maximum values of the predicted values are 1.1582 and 4.9472, respectively. This range suggests that the model can capture a wide variation in buying intention scores.
- The mean of the residuals is zero, which indicates that the model, on average, is unbiased in its predictions.
- The standard deviation of the residuals is 0.37083, which suggests that the residuals are relatively small and close to the mean. This is a good sign for the model's accuracy.

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Buying_Intension
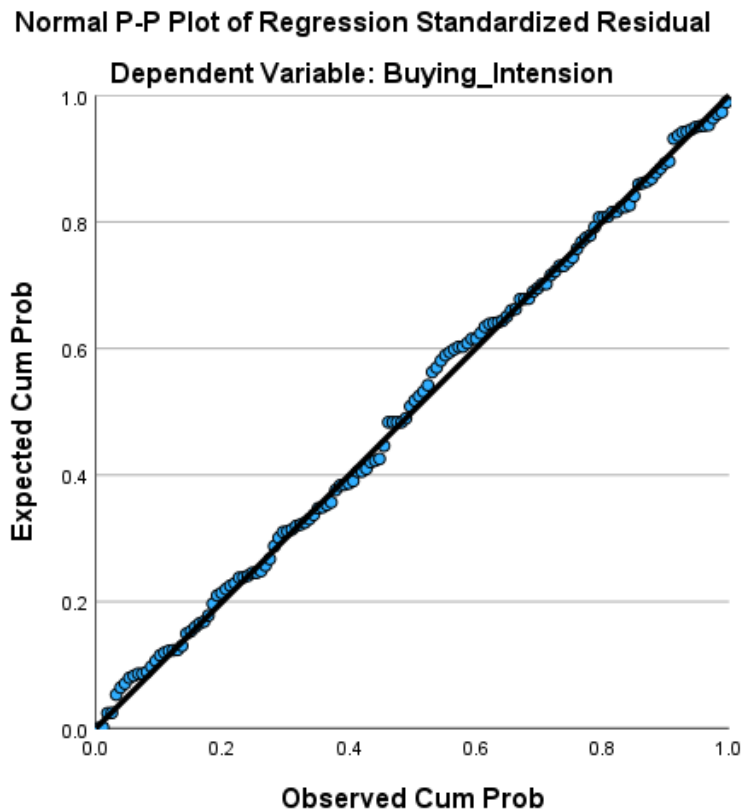
- The standard predicted value (SPV) and standard residual (SR) are two standardized versions of the predicted value and residual, respectively. They are used to identify influential observations and outliers in the model. In this case, the SPV ranges from -4.582 to 1.937, and the SR ranges from -3.375 to 2.288. Any observation with an SPV or SR greater than 2 or less than -2 may be considered influential or an outlier.

VII. Managerial Implications

The study of buying Intention of consumers towards fast-moving consumer goods (FMCG) products has several managerial implications. Some of the critical implications are:

- Marketing strategies: The study's findings can help FMCG companies develop marketing strategies tailored to the needs and preferences of their target consumers. For instance, if the study reveals that consumers are more likely to buy products that are priced affordably, companies can adjust their pricing strategies to attract more customers.

- Product development: The study can also provide insights into what features or characteristics consumers value the most in FMCG products. Companies can use this information to develop new products or improve existing ones that better meet the needs of consumers.

- Inventory management: Understanding consumer buying intentions can help companies optimize their inventory management practices. For instance, companies can adjust their production and inventory levels accordingly if the study indicates that consumers are more likely to purchase certain FMCG products during specific times of the year.

- Distribution channels: The study can also help companies determine which distribution channels are most effective in reaching their target consumers. For example, if the study shows that consumers prefer to purchase FMCG products online, companies can invest in e-commerce platforms to reach a wider audience.

Overall, the study of buying Intention of consumers towards FMCG products can provide valuable insights for companies in developing effective marketing strategies, product development, inventory management, and distribution channels.

VIII. Conclusion and Recommendations

The conclusion that can be taken from this research are as follows:

- The purchase decision of the consumers is influenced by brand image, Trust, ease of availability and product quality.
- The reliability test suggests that the data collected is 92.0 % reliable which was enough to take the analysis further.
- Brand Image shows a significance of <0.001 , Trust shows <0.001, Ease of availability shows <0.001 and Product quality shows <0.001 so we accept the three hypotheses for the independent variables as they are less than 0.05.It means all three of them influence the buying intention.

In conclusion, this research sought to examine the variables affecting consumers' propensity to purchase fast-moving consumer goods (FMCG). The research discovered that a number of variables, including product quality, brand perception, price, and promos, had a significant impact on consumers' intentions to purchase FMCG[9]. Data were gathered from a group of 150 clients as part of the study's survey methodology using a structured form.

The study's findings showed that product quality, followed by company image, price, and discounts, had the most significant impact on consumers' intentions to purchase FMCG. The research also discovered that personal factors like age, gender, wealth, and education level significantly influenced consumers' intentions to purchase FMCG[10]. The study's conclusions have a number of ramifications for Food producers and advertisers. To draw in consumers, marketers and producers should concentrate on enhancing the standard of their goods and fortifying their brand's reputation. In order to impact consumers' intentions to purchase FMCG, they should also create efficient pricing and promotional strategies. Future studies can be done to find out how other elements like packing, delivery methods, and customer service affect consumers' intentions to purchase FMCG products[4]. Additionally, the research can be expanded to include additional geographic regions and a variety of FMCG products in order to provide a more thorough grasp of the variables affecting consumers' intentions to purchase FMCG.

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