
A STUDY ON IMPACT OF ADVERTISING ON CONSUMERS BUYING BEHAVIOR WITH REFERENCE TO SELECTED FMCG

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Abstract

Understanding of the consumers buying behavior and examining procedures of decision making necessitates the need to identify the awareness towards advertising of the FMCG products that offers relevant product information to the consumer. This paper aims to explore the role of advertisement on attitudes towards buying behavior. Questionnaire has prepared to evaluate the impact of advertisement. Here, the researchers have used convenience sampling method for distributing the questionnaire in order to study the impact of advertising on consumers buying behaviour with special reference to FMCG products. The study was carried out involving a survey on 180 sample size and the consumer are chosen the age limit of 18-45 years in Bangalore City. Five brands have been taken into consideration as FMCG's brand Parle Agro, ITC, Dabur India, HUL and Britannia. According to the analyzed data, advertisement variables show a positive impact on consumer buying behavior in Bangalore city. According to the regression analysis Brand of products shows more impact of the consumer buying behavior than a label and environmental advertisement. These results of this research exposed that advertisement attracts towards the preference and choices to influence the consumer buying behavior.

Keywords: buying behavior, FMCG products, advertisement, brands

Introduction

The fast-moving consumer goods (FMCG) sector, also called the consumer packaged goods (CPG) sector, is one of the largest industries worldwide. FMCGs are generally cheap products that have a short shelf life, and purchased by consumers on a regular basis. Profit margins on these products are usually low for retailers, who try to offset this by selling large volumes. Some of the most well-known FMCG companies in the world include Unilever, The Coca-Cola Company, and Johnson & Johnson. The FMCG sector comprises a large variety of products, with some of the most important categories being food, beverages, personal care products, and home care products. Within these categories, FMCG products are often near-identical, and for this reason price competition between retailers can be intense. To boost profitability, companies use marketing and other techniques to set up loyalty to the product, which enables them to charge higher prices. Another important characteristic of the FMCG sector is that it generally does well in an economic downturn, with consumers rather cutting back on luxury products.

Competition is a buzz-word in new era of globalization. Different companies are trying to satisfy the needs of target consumers by offering innovative products. Fast Moving Consumer Goods are also playing a vital role in our everyday life. People are also conscious to make better living standard in so many aspects. Now-a-days, in respect of this awareness, FMCG have already become almost essential needs of the people. The process of globalization brought a different kind of benefits and the issues. Environmental pollution can be identified as one of the leading issues that affect human beings negatively (*Boztepe, 2012*). These environmental issues have become a critical subject and already most of the governments and the society have tended to be more aware of these issues. Sustainable development of the economies has become a growing concept within the current scenario (*Dam and Apeldoorn, 1996*).

Marketers have moved to use a different kind of green marketing tools by identifying this situation as an opportunity. Organizations have shown more tend toward green marketing concept with the term of sustainable management. Further, most of the organizations have moved to focus about environmentally friendly products, eco-labels, green regulations and technologies in order to attain competitive advantages within the market place through sustainable development (*Trandafilovic and Blagojević, 2017*). Organizations prefer unconstrained attention to make head of psyche familiarity with the brands to build the deals. Awareness of advertising can lead the clients into loyal customers. In publicizing, mindfulness is one of the most significant impacts that you need to take a stab at. To get purchasers contemplating a brand or product is a piece of the early purchasing stages, and can prompt them being a reliable buyer. For new businesses, or generally secret places, it's imperative to spread attention to a given crowd through promoting obliged their inclinations. Some previous researchers have investigated these tools concerning consumer behavior. Among various studies carried out on advertisement (*Muposhi and Dhurup, 2017; Rahbar and Wahid, 2011; Ahmadi and Fateme Javadi, 2015; Chin, Chin and Wong, 2018*), eco-brand, eco-label and

environmental advertisements use to enhance consumer knowledge regarding FMCG products and increase the awareness within consumers also help consumers to differentiate green products from other product (*Rahbar and Wahid, 2011; Chin, Chin and Wong, 2018; Muposhi and Dhurup, 2017*).

Advertising plays an important role in the process of moving the goods from the producers to the consumers. With mass marketing to distribute the output of production, the GDP may increase to a considerable extent. Advertising helps to increase mass marketing while aiding the consumer to choices and preferences from amongst the variety of products offered for his selection and option. It was only in the latter half of the 19th century, that mass advertising, as we know it today, came into being. Mass production became a reality, and channels of distribution had to be developed to cope with the physical movement of goods, creating a need for mass communication to inform consumers of the choices available to them.

Review of Literature

Marketing is about identifying and meeting human and social needs (*Kotler and Keller, 2012*). Throughout five alternative concepts of marketing, societal marketing concept is concerning about customer's and society's well-being, Societal marketing concept is the base for sustainable marketing. Sustainable marketing can be identified as "doing socially and environmentally responsible marketing for achieve current needs and wants of the consumers while enhancing the ability of future generations to fulfill their needs" (*Kotler and Armstrong, 2012, p.11*).

Mohd Suki (2016) a green brand includes a set of attributes and benefits that have associated with reduce harmful impact on the natural environment. With these attributes and benefits, there will be a positive impression within consumers regarding the environmental concern. In order to that, features of eco-brands can be used to differentiate the products from non-green products and customers switch to green products by considering the benefits which can gain by consuming the products that have used green brands.

Kumar et al (2020) analyzed that FMCG sector is a vital contributor to India's Gross Domestic Product. It has been contributing to the demand of lower and middle-income groups in India. Over 73% of FMCG products sold to middle class households in which over 52% is in rural India. Rural marketing has become the hottest marketing arena for most of the FMCG companies. The rural India market is huge and the opportunities are unlimited. After saturation and cutthroat competition in urban areas, now many FMCG companies are moving towards the rural market and are making new strategies for targeting the rural consumer. The Indian FMCG companies are now busy in formulating new competitive strategies for this untapped potential market. Therefore, a comparative study made on growth, opportunity, and challenges of FMCG companies in rural market. One of the most attractive reasons for companies to tap rural consumers is that an individual's income is rising in rural areas and purchasing power of lower and middle-income groups is also rising and they are eager to spend money to improve their lifestyle.

Srivsthav, (2021) An Analytical Study result showed that, ever since independence of India, because of some obvious reasons, marketing acquired a largely urban bias. It was the green revolution in the seventies which provided a much-needed boost to agriculture-based rural economy in the country. Subsequently, many firms started showing interest in the rural markets and extend their penetration to reach smaller village and town. Further, now-a-days rural consumers are behaving like urban consumers towards the urban lifestyle, fashion, taste, preferences, etc.

Singh Aditi (2020) described in their study that the Indian Fast Moving Consumer Goods (FMCG) industry began to shape during the last fifty odd years. The FMCG sector is a corner stone of the Indian economy. This sector touches every aspect of human life. Indian FMCG market has been divided for a long time between the organized sector and the unorganized sector.

Ajay et al (2021) conducted a research study and found that the promotional offers and availability of brands are important and hence companies must give sufficient emphasis on them before they plan and implement their marketing strategies. A major goal is to satisfy the needs and wants of consumer and their target markets more effectively and efficiently. This article highlights the consumer behavior towards fast moving consumer goods in Khulna.

Mohammad Rehan et al (2020) researched to investigate the impact of advertisement on consumer behaviour of university students (N = 150). It was concluded that in order to be more effective and influential in a positive manner, the ad of particular brand must have all the qualities of a good advertisement. In a nutshell it was concluded that advertisement appeal and its effectiveness was positively related. It was also found out that people form attitudes towards objects on the basis of their beliefs, perception and knowledge about these objects.

Josephine et al (2021) studied to find out the impact of TV advertisement on the buying behaviour of rural consumers. The results indicate that the advertisements provide much knowledge to the consumers about the products and also influence them in purchasing the product. It can be inferred that marketer's efforts have gone well beyond just mere selling of the products and goods.

Objectives of the Study

- To investigate the impact of advertisement on customer purchase behavior of FMCG in Bangalore city
- To study the attitude towards advertisement and creation of awareness on consumer buying behavior in Bangalore City

Methodology

In order to fulfill the requirement of research objectives a total number of 100 respondents have been chosen by using convenience sampling technique who were purchasing FMCG during the period of January 2022 to May 2022 and also the respondent who had already purchased. Total

questionnaire were distributed of 200 and finally we receive 180 so our respondent rate is 90%. There were also other respondents having in different occupation like business, student, service, teacher and others who usually purchase FMCGs for their personal or family purposes. For the purpose of the study, respondents were asked to give tick marks on right side of different statements. Dependent and all the independent variables measured on five point Likert Scale. The response scales for each statement in the survey questionnaire were as: 1= strongly disagree, 2 = Disagree, 3 = Neither agree nor disagree, 4= Agree, 5 = Strongly agree. The collected data was entered in SPSS 24. The obtained data were then processed by Regression analysis & karl pearson co-efficient.

Data Analysis and Interpretation

Table 1: Reliability Statistics

Constructs	Cronbach's Alpha	Number of items
Brand	0.799	5
Label	0.912	5
Environmental advertisement	0.895	5
Buying behavior	0.719	5

Source: Own Calculation

Table 2: Descriptive statistics

Variable	Mean	Std. Deviation	Statistic	Std. Error
BR	3.8182	0.12926	-0.918	0.105
LB	3.1829	0.54246	1.172	0.105
EA	3.3831	0.09123	1.762	0.105
BB	2.0912	0.19812	-0.915	0.105

Source: Own Calculation

The researcher has calculated the mean values and the standard deviations of advertisement and purchase intention. It shows the average values which are given by the respondents for each tool and the customer buying behavior as well as it shows how measurements have spread out of the mean. Descriptive statistical results which indicate in the table 2 shows that the mean values of BR, LB, EA, and BB are close to 3. According to that, respondents have almost agreed with the variables. Among these three advertisement variables BR shows the highest mean value and BB shows the lowest mean value.

Table 3: Coefficients for the regression analysis

Model	B	Std. Error	P-Value	Collinearity Statistics	
				Tolerance	VIF
BR	0.656	0.198	0.000		
LB	0.766	0.188	0.000	0.109	1.916
EA	0.519	0.163	0.000	0.988	0.199
BB	0.289	0.117	0.000	0.198	0.199

Source: Own Calculation

In table 3 shows, there are positive and significant relationships between all the advertisement variables and customer buying behavior. When the brand increases from one unit while labels and environmental advertisement equal to zero, the average increase in the customer buying behavior will be 0.766. If it is a label and environmental advertisement, the average change of the customer buying behavior will be 0.289 and 0.519 respectively.

Table 4: Model summary

Figure	Value
R Square	0.881
Adjusted R Square	0.722
Std. Error of the Estimate	0.57128
Durbin Watson	1.091

Source: Own Calculation

According to table 4, the R square value of the multiple regression models is 0.881. It verifies that 88.1% of the variance of customer buying behavior collectively represented by three advertisement variables such as brand, label, environmental advertisement and buying behavior.

Table 5: ANOVA

Model	Sum of Squares	df	Mean Square	F-value	P-Value
Regression	69.991	2	49.812	113.541	0.002
Residual	91.081	188	0.983		
Total	161.071	190			

Source: Own Calculation

Table 5 shows that the residual value of the model is nearly closer to the regression value of the sum of squares but lower than it. Thus the model is approximate fit to assess the impact and the variation of the dependent variable. Further, P-value of the model is 0.002 and it is less than 0.5 ($0.002 < 0.5$). Therefore, the model is significant at 95% of the significant level.

Conclusion

By proper advertisement the companies can gain trust of the consumers. Companies should advertise their product at that time in which it is shown to consumer frequently. Companies should provide relevant information about the product. Present study found that most of the respondents had a positive attitude towards advertising by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. According to the analyzed data, the regression model developed. Each advertisement variable shows a positive impact on consumer buying behavior in Bangalore city. According to the regression analysis Brand of products shows more impact of the consumer buying behavior than a label and environmental advertisement. In order to further identify the effectiveness of advertising on creation of awareness. Marketers are suggested to give more attention in making the advertisement to make it effective for the sales of packed foods.

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