

Effects of Advertisement on Consumer Buying Behaviour with References to FMCGs in Gandhinagar, Gujarat

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Abstract

Nowadays, advertising is a beautiful way to advertise a product across the entire market. The current research investigates about the impacts of advertising on customer purchase decision in the Fast Moving Consumer Goods FMCG industry. In today's society, consumers are the market's ultimate ruler. Without customers, no enterprise can exist. The focus of a company's efforts is on its customers and their satisfaction. This study aims to know the importance of an advertisement in customers' minds. Also, it analyses the factors influencing consumer preferences and product choices regarding FMCG items.

Keywords: Advertisement, Consumer Behaviour, FMCG Products, Theoretical Framework, Buying Behaviour

Introduction

As we know India is the world's seventh-largest consumer market. In terms of educational attainment, occupation, income, peer group and media consumption, the Indian consumer profile has evolved and altered. With acculturation, customer buying choices quickly change and migrate towards high-end technology products. (Mahalingam & Kumar, 2012). Fast Moving Consumer Goods (FMCG) are items that are consumed by all consumers daily. Due to their short shelf life, these should be utilised within days, weeks, months or years. Consumer Packaged Goods is another name for FMCG (Gebrewahid, 2021). Consumer purchasing habits are fast-changing, shifting towards high-end technology

products in various ways. The consumer is brand-sensible but not certainly brand-loyal, and if a recognised private brand offers reasonable cost and quality, they may opt for it (Mahalingam & Kumar, 2012).

In the current competitive market, advertising has become one of the most important economic activities. Companies devote significant resources to creating and running promotional commercials to disseminate information about their company and its products. The business expects consumers to buy their goods because of commercials and various appeals to transmit messages about their products (Baheti, Jain & Nidhi, 2012). Nowadays, no one is free of the enormous impact of mass media. For example, television, newspaper, magazines, advertising, videos, billboards, the internet, etc. Advertising stands out above all marketing techniques due to its ability to leave a lasting impression on the viewer's psyche over an extended period. Advertising is an integral component of the promotional mix, which encompasses the four fundamental elements of marketing: pricing, product, place and promotion. Most companies use advertisement as a tool, a great way to promote a product across the entire market. The implications of advertising are becoming more severe every year. These consumers perceive eco-friendly products as a means to establish a favourable perception of the product in the minds of consumers. (Ghafoor Awan, 2016). Kotler (1997) discovered that the theme of an advertisement is advertising appeal in his research. For the audience to receive a necessary message and build interest in the commercials, advertisers must infuse a bit of force into the news. The appeal is the main driver behind this. Every commercial request contains an attraction that has grabbed buyers' curiosity (Baheti,

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Jain & Nidhi, 2012). Due to digitalisation, messages can now be disseminated through various media, including newspapers, radio broadcasts, magazines, direct mail, mail order services, and outdoor exhibits and so on (Ghafoor Awan, 2016).

The FMCG industry plays a substantial role in contributing to the gross domestic product (GDP) of a country, often comprising up to a third of it. Moreover, numerous multinational companies operating in the FMCG sector have been gaining considerable recognition. These companies enter the industry through diverse methods such as joint ventures, stock acquisitions and substantial investments. The frequency of shopping and the substantial consumer base involved in purchasing such products are crucial determinants for the success of FMCG enterprises. As a result of the advertising purpose and scope of FMCG stated above, it is critical to research customer buying behaviour in Gandhinagar. As a result, this research focuses on customers' purchasing decisions in the FMCG business in Gandhinagar. It aimed to assess the significance of customer purchase decisions (Gebrewahid, 2021).

Literature Review

A compulsive customer learns about a product in two ways:

- Through local interactions within their social network, that is, Word-of-mouth; and
- Through global interactions, for example, through advertisements (Cetin & Bingol, 2014).

The Consumer purchasing behaviour is how people choose, buy, and consumes products and services to meet their needs. Several processes are involved in the purchasing behaviour of consumers. Many factors influence an individual's decision-making process to buy any product. All the factors influence a purchase decision. Initially, consumers seek out the specific product they intend to consume and subsequently choose only those options that provide them with higher levels of satisfaction. After sorting the commodities, an individual calculates the available money he could spend. Ultimately, the consumer sees current product pricing and decides which commodities to consume. Various cultural, social, economic, psychological and personal factors affect customer decisions (Mohamed Ali et al., 2016). Customers observe this behaviour when they search for,

purchase, consume, rate and discard products and services that fit their wants and expectations (Jamal & Nazzal, n.d.). The extent to which a consumer values a product determines their level of engagement with it in their life. This involvement is an interest caused by any condition or entity; it means a particular level variable (Islam & Hani, 2021). Advertising is an attempt at creativity that influences the motivation of consumers to purchase a particular product and changes or influences the perception of the product in the viewpoints of people (Rasool et al., 2012). Claims, that advertising is a way of communicating with the audience. In this study, it was found that advertising has shifted consumers buying behaviour. The factors such as pleasure, dominance and brand recall changed their behaviour. Advertising is a great marketing strategy to make a purchasing decision and increase consumer awareness. Advertisers aim primarily to connect with individuals and impact their perceptions, attitudes and purchasing behaviours (Chukwu et al., 2019). Television is the primary source of advertisement. Other sources of advertisement are radio, newspaper and online. These all are means of motivating factors that influence buying behaviour (Appala Raju & Sree Devi, 2012). Customers prefer to see live commercials, such as those on television; hence the influence of newspaper advertisements on client purchase behaviour is low. For customers with only one source of information, a newspaper advertisement is a beneficial informative source (Kakkad, 2016). Having a good product alone in a market of high standards is not enough. Changes in marketplaces, consumer habits and other relevant factors have led brand owners to emphasise more engaging methods of promoting their products. Celebrity support is becoming an outstanding option in the advertising industry. Using the star as a speaker has become an overall strategy in the advertising industry (Rahman et al., 2021). People learn about the brand because of the celebrity. It has an impact on the brand's overall image. The credibility of a celebrity is also taken into consideration. More positive outlook changes are expected as a result of extremely reliable endorsers. Advertisers believe brand communication messages presented by celebrities and well-known people have greater attraction, interest and memory than non-celebrities (Sridevi, 2014a). If a celebrity endorses a product, people are likelier to try it. Celebrity appeal will be more effective for low-involvement products, such as low prices, than for high-involvement products, such as high prices. The celebrity's expertise aspect is a substantially more relevant component for products of a

technical type. The findings show a strong link between mean purchase intention and all qualities, including popularity, attractiveness, trustworthiness, expertise and other aspects. FMCG is the most used, but no consistent definition exists. In India, it is generally used for products that are used every day (Joseph, 2014). Understanding consumer behaviour has always been a key component of FMCG product advertising. Customers' wants and expectations have changed in this century of technology and globalisation. The FMCG sector contributes significantly to India's GDP (Journals et al., 2021). Consumer perception towards FMCG products plays an important role when buying. According to the research, consumer behaviour is highly affected by the 4Ps (Product, Price, Place and Promotion). Nearly every FMCG company has followed the growth trend for the past 20 years, and it won't be any different in the future. It was discovered that there had been a significant increase in the purchase and consumption of environment-friendly items. Nevertheless, there was still a gap in the buying of those products. This seems to be because of such availability, as conventional products are more readily available than eco-friendly ones. Nevertheless, there is a segment of consumers who are willing to allocate additional funds towards the purchase of environmentally conscious products (Mahalingam & Kumar, 2012). According to her thesis, a significant amount of each household's monthly budget is set aside for FMCG. Compared to FMCG products, the quantity of products produced in the economy is extremely great, as is the number of items used by consumers. The FMCG business has a lot of competition, which puts a lot of pressure on margins. As a result, advertisers feel compelled to use celebrities to endorse their products to get consumers to recognise and buy them, generating a lasting impression in their minds (Sridevi, 2014b). When advertising features nature-inspired images, people have a more favourable opinion of the business. Greenery in an advertisement can influence customer opinions of a brand's overall image. Images have the power to influence purchasing decisions. Brand awareness, retail visibility, product availability and promotional efforts are all significant factors that influence the purchasing decisions for such products (Mengesha, 2017). The primary factors that impact a consumer's purchasing decision are their preference for taste, emphasis on quality and consideration of affordability. The conclusion drawn is that marketers should give priority to these variables in order to enhance revenue. As a result,

marketers must comprehend client behaviour, which is constantly evolving. The results indicate that individuals who are mindful of their spending consider attributes such as reliability and product quality to be significant. Consumers are usually loyal to their favourite brands (Srivastava, 2013). The survey's findings and subsequent data analysis revealed that the most critical elements for all commodities are product attributes and quality. Nearly all commodities have shown that the necessity of need is crucial in purchasing decisions.

Standard of Living: Quality of living refers to the amount of money, amenities and services accessible to a community or region rather than an individual.

Repetition: Repeatedly exposing advertisements is the most effective method to increase the frequency of their occurrence, as frequent exposures are necessary to achieve the highest level of consumer engagement. Advertising penetration is significant for fast-moving consumer items.

Stimulation: It is an encouragement to buy anything through advertisement. Its excitement stimulates to purchase the product.

Friends and Family Effect: Gender, necessity, income, habit, geographical areas, willingness to spend and status, amongst many other things, influence people's shopping patterns. Recommendations from friends or family members have far more influence over purchasing decisions.

Awareness: Buyers overwhelmed by the number of commercial messages they see or hear use straightforward strategies to make decisions, and brand awareness is an integral part of marketing efforts.

Outdoor Advertisement: Outdoor advertising increases sales by maximising exposure. Our continuous exposure to objects as customers usually translates into a brand image and potential sales.

Influence: Advertising significantly impacts consumers' purchasing behaviour since it captures their attention, helps to stimulate their curiosity and makes them want to buy the products.

Newspaper and Journal Effect: Newspaper advertisements are easily accessible to the general public and allow practically all marketers to market their products.

Methodology

Survey Design

The initial segment of the questionnaire focused on gathering demographic information from the participants, such as their age, sex and educational history. The second part of the questionnaire consisted of various factors, which are given in Fig. 1. The Likert scale of 5-pointer was chosen in which strongly disagree (1) oscillated between strongly and strongly agree (5).

The information was gathered from 302 individuals, and the demographic profiles of the data are given in the table below. There were around 160 male respondents and 142 female respondents. After that, the education profile of the respondents was asked in the questionnaire in which it was found that 163 respondents were pharmacy and medical qualifications, 76 were engineers, six were from law and four from an arts background and 53 were from other educational experiences. The third part of the demographic analysis consists of 286 respondents ranging from 18 to 50 years of age 16 respondents were <18 years old—the factors affecting consumers' buying behaviours concerning FMCG products.

Table 1: Descriptive Data Table

Variable	Frequency	Percentage
Gender		
Male	160	53%
Female	142	47%
Educational Qualification		
Medical/Pharmacy	163	54%
Engineering	76	25.2%
Arts	4	-
Law	6	-
Others	53	17.5%
Age		
<18	16	5.3%
18-50	286	94.7%

Data Analysis

The data analysis was done using software like M.S. Excel and IBM AMOS v23. The statistical technique used

for the study was SEM (Structural Equation Modelling) to understand the relationship between different factors.

Factor analysis is used to analyse data. The maximum likelihood estimate examines the relationship between the data's various components.

Before conducting factorisation, a KMO (Kaiser-Meyer-Olkin) test was conducted to assess the suitability of the sample for factor analysis the resulting score of 0.882, exceeding the threshold of 0.7, implies that the sample is suitable for factor analysis. Furthermore, the p-value of 0.000 obtained from Bartlett's test of sphericity further supports the suitability of conducting factorisation on the sample data.

Table 2

<i>KMO and Bartlett's Test</i>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.882
Bartlett's Test of Sphericity	Approx. Chi-Square	1468.858
	df	153
	Sig.	.000

The above test was performed in IBM SPSS V23 software. IBM AMOS V23 software was used to do confirmatory factor analysis to check the factorised data. Structural equation modelling has been used to analyse the correlation between different generated components using the previously hypothesised model. Reliability was checked using Cronbach's alpha value (Table 3). The alpha values are displayed in a table; we may call them good deals since they indicate that the variable grouping done using factor analysis is tightly connected. It is highly recommended to perform confirmatory factor analysis (CFA) and SEM on the collected dataset. The proposed model was created using AMOS graphics, where all the relevant variables (both endogenous and exogenous) were appropriately included, and error factors were assigned to the necessary variables to complete the (CFA) and demonstrate a perfect fit for the model. The variables were connected with arrows to test our research hypothesis and examine their correlations. After conducting the analysis, the factor loading values were examined and the model fit has been assessed using the comparative fit index (CFI), Tucker Lewis Index and root mean square error (RMSE) statistics. To be considered a good fit, these values should be close to the ideal range.

Hypothesised Model

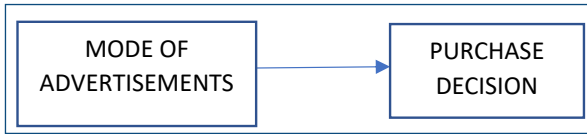
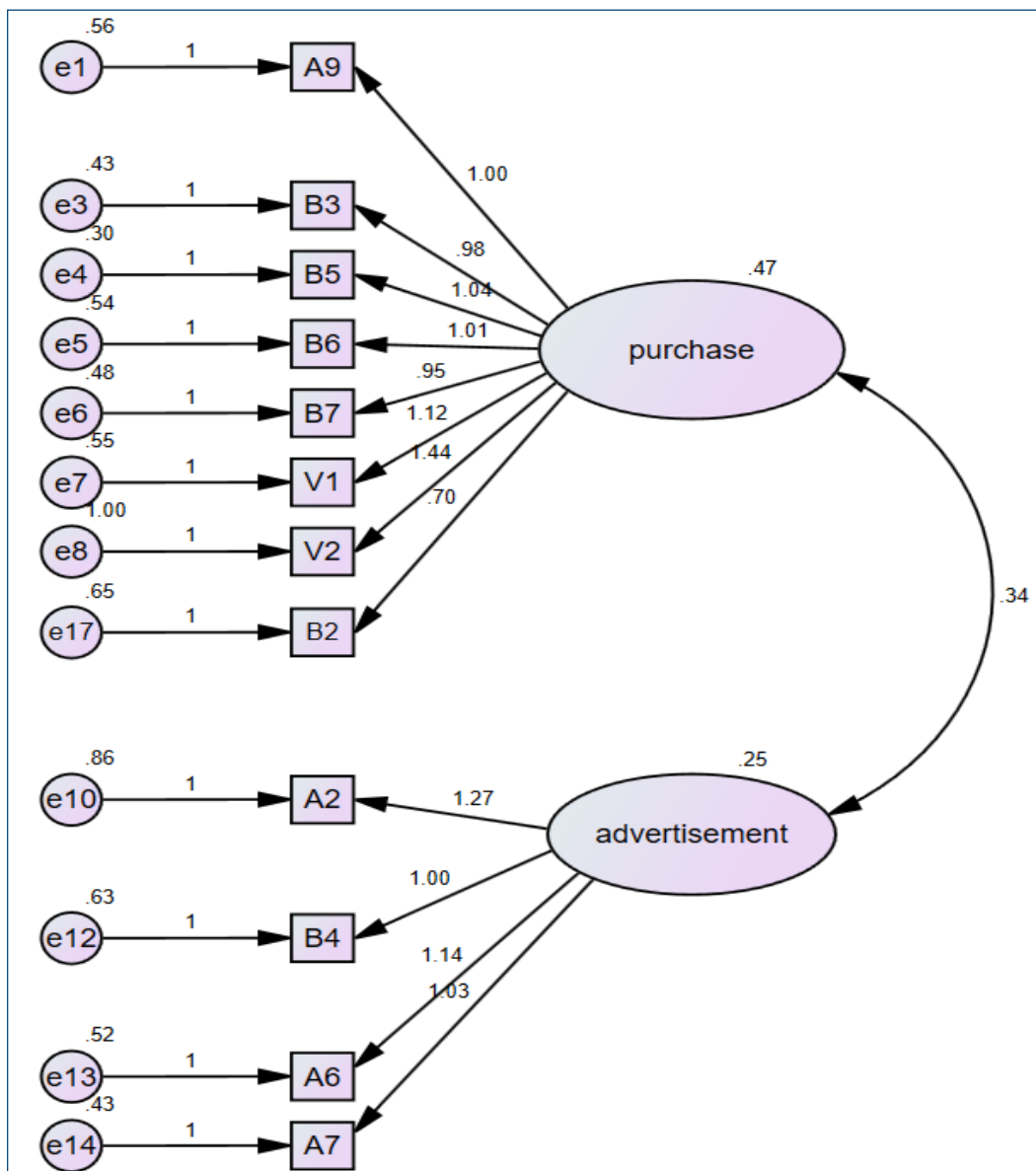


Table 3

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.850	.851	12

The hypothesised model was assessed using AMOS graphics and was adjusted to achieve the desired model fit. The obtained statistical values for various model fit parameters were as follows: CFI of 0.802, root mean square error of approximation (RMSEA) of 0.059, goodness-of-fit index of 0.924, adjusted goodness-of-fit index of 0.889, and Tucker Lewis Index of 0.753. The CFI value shows that the model has satisfactory results and can be considered suitable. Additionally, the achieved probability level was statistically significant ($p = 0.000$).



Regression Weights: (Group Number 1 - Default Model)

Table 4

			<i>Estimate</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>	<i>Label</i>
A9	<---	purchase	1.000				
B3	<---	purchase	.977	.068	14.377	***	par_1
B5	<---	purchase	1.037	.072	14.426	***	par_2
B6	<---	purchase	1.011	.076	13.316	***	par_3
B7	<---	purchase	.948	.066	14.451	***	par_4
V1	<---	purchase	1.124	.082	13.713	***	par_5
V2	<---	purchase	1.443	.111	12.945	***	par_6
A2	<---	advertisement	1.271	.153	8.290	***	par_7
B4	<---	advertisement	1.000				
B2	<---	purchase	.705	.071	9.884	***	par_9
A6	<---	advertisement	1.135	.125	9.068	***	par_10
A7	<---	advertisement	1.026	.122	8.445	***	par_11

The above results were obtained using AMOS analysis; as shown in the table, some variables have a significant impact on one another (95% confidence), as indicated by *Covariance's: (Group Number 1 - Default Model)*

the p (significance) value of 0.001 (given as * in the table output).

Table 5

			<i>Estimate</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>	<i>Label</i>
purchase	<-->	advertisement	.335	.039	8.684	***	par_8

Correlations: (Group Number 1 - Default Model)

for confirmatory analysis, and all statistical outputs were examined and determined to be adequate.

Table 6

			<i>Estimate</i>
purchase	<-->	advertisement	.974

The above table shows that the mode of advertisements highly influences the purchasing behaviour of consumers. It strongly indicates the relationship between the ways ads influence purchasing behaviour. So, with a 95% confidence interval, we can say that mode of advertisements can affect the buying behaviour of consumers.

Results

After performing data analysis (CFA, SEM), we understood that the observed variables are significantly correlated and the Grouping was confirmed using factor analysis (principle component analysis). KMO and Bartlett tests were performed to carry out maximum likelihood estimation. Because both tests yielded significant results, maximum likelihood estimation was performed to confirm grouping. To deem it a good model fit, AMOS was used

Conclusion

As a result of the prior discussion, we have concluded that advertisements can influence customer behaviour. Standard of living, repetitive purchases, stimulation, friends and family, awareness, outdoor advertisement, influence, newspapers and journals are all factors. These factors possess significant influence over consumer purchasing behaviour, which is highly advantageous for the fields of advertising and marketing. Our data also supported the hypothesis that advertisements significantly impacted consumers' purchasing decisions and extended their possibilities. Given our research evidence, this study will benefit marketing and advertising businesses in their efforts to advertise their products. It will allow focus on the massive consumer markets of Gandhinagar.

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