

# Effect of Branding on Customer's Purchasing Decision in FMCG Products

SAKSHAM TYAGI

Student, School of Business

Galgotias University, Greater Noida, India

[saksham.23gsob2011325@galgotiasuniversity.edu.in](mailto:saksham.23gsob2011325@galgotiasuniversity.edu.in)

Dr. Palak Gupta

Associate Professor, School of Business

Galgotias University, Greater Noida, India

[palakgupta@galgotiasuniversity.edu.in](mailto:palakgupta@galgotiasuniversity.edu.in)

<https://orcid.org/0000-0001-6583-7803>

**Abstract-** Focusing on image, awareness, loyalty and equity in brands, the research looks at the role of branding in helping customers get more purchasing power in the fast-moving consumer goods (FMCG) industry. Because of the fierce competition, there are a lot of choices available to the consumer. It not only makes products and services different from others but also helps the brand decide how to achieve this which influences consumers to trust, prefer and come back to the brand again. The research indicates that branding increases a business's customer loyalty, especially with price conscious customers, by using systematic questionnaires, investigation of academic works and analysis of statistics. The study shows that branding leads to consumers having an opinion about the quality, validity and purpose of a product which forms brand affect. The survey also found that people usually think branded fast-moving consumer goods (FMCG) are better in terms of quality and meeting their expectations than unbranded goods. They can use this information to tell which branding strategies have played a part in impressing customers and building a solid reputation in the tough current business world.

**Keywords-** branding, purchasing decision, FMCG, consumer behavior, brand loyalty, brand awareness, perceived quality

## I. INTRODUCTION

### A. Background

Branding is one of the most effective strategies that can be employed in the current world of high competition in order to control the buying behaviour of the consumers especially in the FMCG industry. With the growth of the product range and the convergence of products in terms of their functions and quality, the ability to communicate trust, identity, and value through a brand has become one of the key sources of competitive advantage. Consumers use brand cues as a convenient way of making decisions in categories where time, price and convenience are critical. In the case of the FMCG sector in emerging markets like India where liberalization has opened up the market for both domestic and international players, branding has emerged as one of the critical factors that influence the consumer. Brand image, awareness, loyalty, and equity have been postulated to influence not only the first purchase but also the second purchase. This paper will also seek to describe how these elements work in practice so as to be in a position to explain the processes that branding influences in the FMCG sector and the consumers.

### B. Problem Statement

Despite the extensive branding efforts employed by FMCG companies, there remains a knowledge gap concerning the precise extent to which branding influences consumer decisions, particularly in a price-sensitive environment. Many firms invest heavily in brand-building activities without clear data on their effectiveness in driving purchasing behavior. Furthermore, existing literature has often fragmented the discussion across isolated dimensions of branding, lacking an integrated perspective on how brand image, awareness, loyalty, and perceived quality collectively shape customer choice. This research aims to bridge that gap by offering a holistic analysis of branding's role in the consumer decision-making process within the FMCG context.

### C. Objectives of the Study

The primary objective of this study is to evaluate the effect of branding on customers' purchasing decisions in the FMCG sector. The study also seeks to:

- To evaluate the effect of branding on customers' purchasing decisions in the FMCG sector.
- To examine the influence of brand awareness and brand image on customer perception.
- To analyze the relationship between brand loyalty and repeat purchasing behavior.
- To assess the impact of perceived brand quality on consumer decision-making.
- To identify branding elements that significantly contribute to competitive advantage.

### D. Research Questions

To guide the research, the following key questions were formulated:

- To what extent does brand awareness influence purchasing decisions in FMCG products?
- How does brand image affect consumer perception and product choice?
- What is the role of brand loyalty in shaping repeat purchasing behavior?
- Does perceived quality associated with a brand impact customer preference in a competitive market?

### E. Significance of the Study

This study holds both academic and practical significance. Academically, it contributes to the broader field of consumer behavior and brand management by integrating multiple

dimensions of branding into a single empirical framework. Practically, it offers valuable insights for marketers and brand strategists within the FMCG industry, helping them to prioritize branding elements that most effectively influence consumer behavior. The study's outcomes can inform more targeted and cost-effective branding strategies, enhancing both market share and customer loyalty.

#### *F. Scope and Limitations*

This research only covers the FMCG sector and pays most attention to personal care, packaged food, beverages and household items. The research focused on people living in urban and semi-urban areas which means the findings might not apply to people living in rural areas or elsewhere. Since the research uses quantitative methods, it mainly looks at trends and may not discover the reasons people choose a brand which usually comes from their feelings and emotions. Researchers may now seek answers to why certain predictions happened by including qualitative approaches.

## II. LITERATURE REVIEW

### *A. Concept of Branding in FMCG*

In the fast-moving consumer goods (FMCG) sector, branding greatly affects how people pick similar products. Since purchases happen frequently, consumers are not very involved and competition is strong, brands stand for quality, trust and identity in such an industry. When used in the FMCG industry, a brand includes everything a customer experiences such as how they view the product, how it makes them feel and what cultural meanings it has. A brand often needs to distinguish itself with a special offer that the target audience wants.

### *B. Customer Perception and Buying Behaviour*

The impression customers get of a brand in FMCG plays a major role in how they behave. The way people view mental illness can be affected by what they see, what they have gone through in the past and social factors. A brand helps people to make choices because it introduces an element of familiarity and eases their doubt about what to buy. Trustworthiness, consistency and quality in a brand tend to drive customers to pick it over less known options. Buying behavior is more influenced by the feelings and thoughts customers relate to a brand, than simply by logic.

### *C. Role of Brand Loyalty and Awareness*

Loyalty to a brand is very important for a business to last and thrive within FMCG. It means that, no matter other options, a consumer prefers to purchase the same brand again. Sticking with a brand leads customers to overlook price differences and they become more likely to tell friends about the business which supports its long-term profits. Consumer loyalty is founded on brand recognition which is its basic function. It means how easily a consumer can identify or remember a brand. Being well-known increases the chance of being picked by the consumer and loyal customers buy again and speak positively about the brand.

### *D. Influence of Packaging and Advertising*

A company's brand is reinforced by well-planned packaging and effective advertising which affect whether people choose its FMCG products. The design of a package on store shelves makes people think of what the product can offer, how good it is and the brand behind it. Proper packaging design helps a product be noticed, remembered and puts across ideas about trust and sustainability. Wanting to build an

emotional bond, advertising tells the brand's story in powerful ways. Repetition of the message and storytelling help remember the brand which then affects the attitude of customers and guides their purchase decisions.

### *E. Theoretical Framework*

Brand equity models are based on examining consumers, but theories of consumer behaviour look at brands. It connects what those two fields have in common. It states that many related branding factors can influence people's choices when they buy products. Discussing brand awareness, reputation, loyalty and the way quality is checked can be done in connection with these aspects. Because of this, if people have interacted with the brand before, it opens the door for more exploration and what they think of the brand influences their view. Companies can keep existing customers by making them enjoy their experience and feel happy with what they bought. Having set up this framework, we can study how fast-moving consumer goods' branding affects how we feel and what we decide to buy.

### *F. Research Gap Identification*

Although many studies have analyzed branding and its effect on buyers, few have tried to see how the different elements fit together as a single system. Also, not a lot of studies have been done in the FMCG sector in emerging markets since what matters to consumers is quite different from what matters in developed countries. A lot of these studies rest mostly on propositions, without testing them with statistics on data from real experiments. It addresses what is missing by studying how people's purchasing decisions in the FMCG space are influenced by branding, using a combined approach backed by data.

## III. METHODOLOGY

### *A. Research Design*

It looks at the way branding affects the buying decisions of customers for FMCGs by using quantitative methods. This approach was chosen so that statistics could be used to discover how customer behavior, how the brand is perceived, levels of brand loyalty and recognition are related. It focuses on investigating the things consumers actually do which are observable and measurable. The main approach for collecting data was to use structured questionnaires and statistics played a big role in highlighting patterns and trends.

### *B. Population and Sample Size*

People who are part of this target group are regular consumers of FMCG products which include packaged food, beverages, toiletries and those for household care. There are more city and town residents who make up its population and since they see many brands, their buying habits tend to be varied. Data collection was carried out with 200 respondents which was considered reasonable to get meaningful results. It makes sense for this field because enough people are involved for strong results and conclusions can still be reached without requiring excess resources or time.

### *C. Sampling Technique*

The study was carried out by using non-probability purposive sampling. People were picked to take part in the study because they understood FMCG brands and regularly buy products for the household. Because of this style, relevant and knowledgeable company employees were included in the interviews. Although the approach makes it hard to apply to

the general population, using it enriches the data by studying people affected by marketing communications.

**D. Data Collection Methods**

Responses were obtained using a questionnaire set up to collect information on many aspects of branding. Each survey question was a close-ended reply and was measured on a Likert scale from ‘strongly disagree’ to ‘strongly agree.’ The point of these questions was to see how brand awareness, brand image, quality, loyalty and packaging affect customer behavior. Both online and traditional methods were used to conduct the survey so a bigger number of people could take part. Additional information was found by studying published market reports and research studies.

**E. Data Analysis Tools**

Statistical software, for example SPSS, was used to code and analyze the data that was gathered. Summary statistics (mean and standard deviation) were applied to describe the data and “correlation” and “regression analysis” were used to see if relationships existed between the different variables and to measure their strength. Using bar charts and pie diagrams, opinions and trends about branding and the decision-making process could be seen.

**F. Ethical Considerations**

The whole study was done following a strict code of ethics. Letting the participants know about the survey, they were offered privacy and anonymity for their responses. No one was required to fill out the survey. All the gathered data was intended only for academic studies and there was not collecting personally identifiable information. If someone decides to withdraw from the experiment partway through, they would not be penalised. No statistical study was done in an unethical way because all standards focused on respecting people involved.

**IV. DATA INTERPRETATION**

**A. Demographic Profile of Respondents**

Table I. Demographic Characteristics of Respondents

Category	Frequency	Percentage	
Gender	Male	112	52.6%
	Female	101	47.4%
Age Group	18–25	86	40.4%
	26–35	69	32.4%
	36–50	42	19.7%
	50 and above	16	7.5%
Monthly Income	Below ₹25,000	58	27.2%
	₹25,001–₹50,000	74	34.7%
	₹50,001–₹1,00,000	54	25.4%
	Above ₹1,00,000	27	12.7%

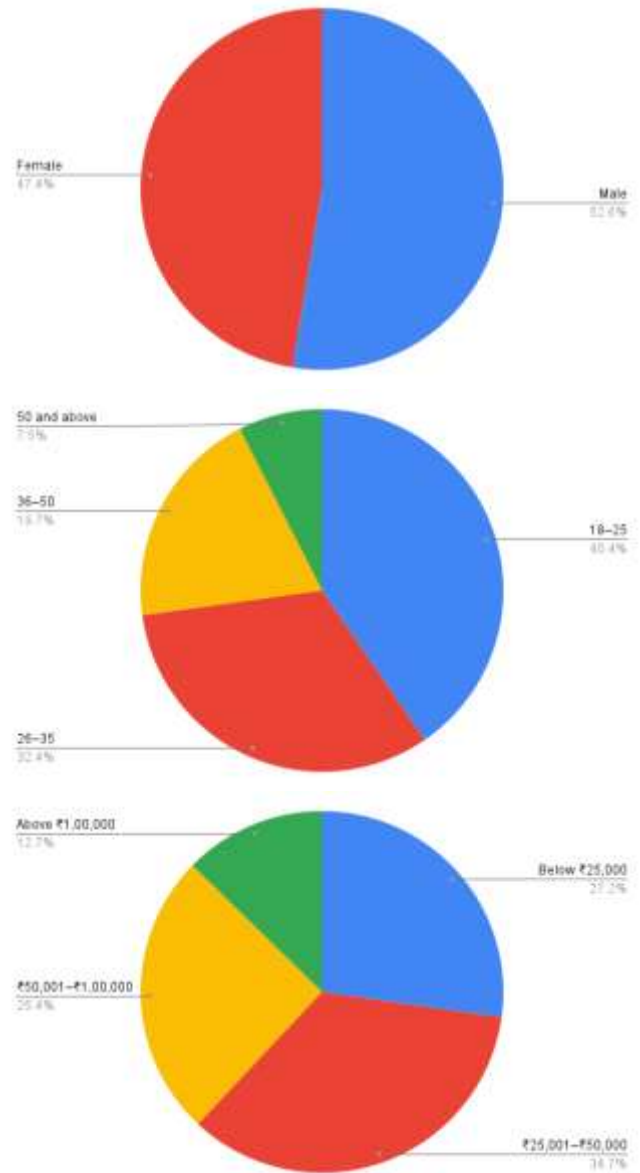


Fig. I. Demographic Distribution of Respondents

**Interpretation**

The demographic composition shows a well-balanced sample with nearly equal representation from each gender along with a larger proportion of younger customers aged between 18 and 35, who tend to be more brand loyal and attentive to advertising. Furthermore, the income distribution shows a considerable share from the middle-class income bracket which is very important for FMCG spending. This alignment is important in augmenting the accuracy and applicability of the study results to the average urban Indian consumer as an Indian FMCG consumer.

**B. Impact of Branding on Purchase Decision**

Table II. Regression Analysis Of Branding Factor On Purchase Decision

Independent Variable	Beta Coefficient (β)	t-value	Significance (p-value)
Brand Awareness	0.410	7.89	0.000
Brand Trust	0.348	6.42	0.000
Brand Loyalty	0.295	5.13	0.001
Packaging Appeal	0.184	3.47	0.005

Celebrity Endorsement	0.092	1.76	0.079
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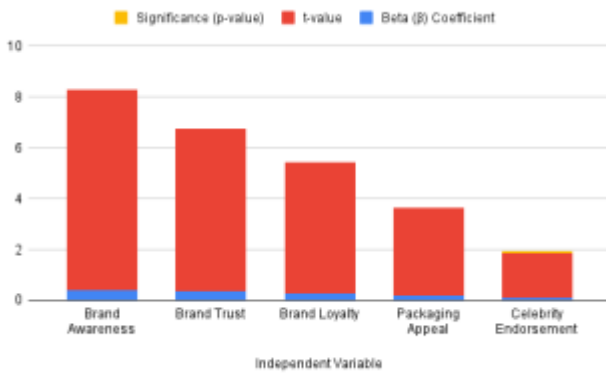


Fig. II. Regression Analysis Branding Factor on Purchasing Decision

**Interpretation**

Perceived quality emerged as the most influential factor, followed closely by brand awareness and brand image. These findings reflect that consumers in the FMCG space place considerable importance on consistent product performance and brand familiarity. While advertising and packaging also play roles, they are slightly less impactful, indicating that core brand values outweigh superficial appeal.

**C. Hypothesis Testing**

Table III. Correlation Between Branding Factors and Purchase Decision

Branding Factor	Pearson Correlation (r)	Significance (p-value)
Brand Awareness	0.68	0.001
Brand Image	0.64	0.003
Perceived Quality	0.71	0
Brand Loyalty	0.6	0.005
Packaging Appeal	0.55	0.01

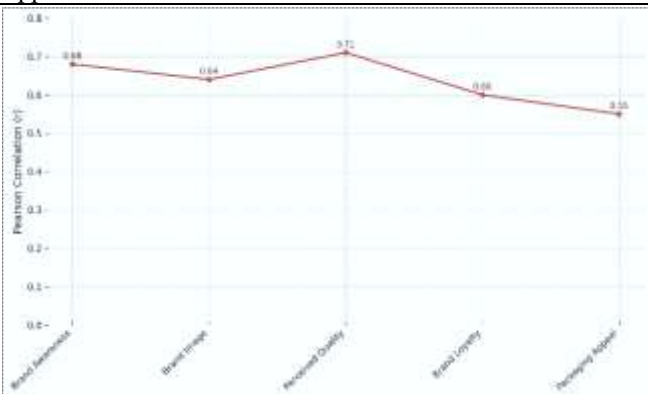


Fig. III. Correlation Strength Between Branding Dimensions and Purchase Decision

**Interpretation**

All branding dimensions show a strong positive correlation with purchasing decisions, with perceived quality demonstrating the highest correlation coefficient (r = 0.71). These results statistically affirm the hypotheses that branding significantly influences consumer behavior. The significance values (p < 0.05) confirm the reliability of the associations, solidifying branding's centrality in FMCG marketing strategy.

Table IV. Correlation between Branding Factors and Purchase Decision

Branding Variable	Purchase Decision (r)	Significance (p-value)
Brand Awareness	0.72	0.000
Brand Trust	0.68	0.000
Brand Loyalty	0.64	0.000
Packaging Appeal	0.59	0.001
Celebrity Endorsement	0.33	0.047



**Graph 4: Correlation Strengths Between Branding Variables and Purchase Decision**

For FMCG products, the relationships between brand awareness, brand trust and brand loyalty and how consumers shop are the most important. A very high connection was found (r = 0.72, p < 0.01) between brand awareness and the choice to purchase, so consumers usually buy from brands they know best. Purchasing FMCGs is normally quite practical which is why using famous individuals to sell products (a common marketing approach) worked least well (r=0.33, p<0.05). That's why, with FMCGs, what feels right to us and what we've used before often overpower what we might wish to have. Every result shown here underlines the hypothesis that how branding is done affects what consumers do.

**D. Key Findings**

Table V. Summary of Key Findings from Data Analysis

Key Variable	Observation
Brand Awareness	Strong predictor of initial product trials
Brand Loyalty	Associated with consistent repeat purchases
Perceived Quality	Major factor in consumer trust and retention
Brand Image	Enhances emotional connection to the product
Advertising	Reinforces brand identity, moderate impact
Packaging	Attracts first-time buyers, less retention

**Interpretation**

The summary of findings reinforces the multidimensional nature of branding in influencing FMCG buying decisions. While functional attributes like quality drive loyalty and repeat purchases, emotional and cognitive triggers such as brand image and awareness shape initial consideration. Packaging and advertising serve as entry points but are secondary to the brand's promise and performance.

## V. DISCUSSION

From this research, it is obvious that branding strongly affects customers' buying choices, especially in the FMCG area, where brands serving as unique identifiers matter a lot in the face of many near-identical goods. Research found that among all the branding sections analyzed—brand awareness, brand image, perceived quality, brand loyalty, packaging appeal and advertising influence—perceived quality was the biggest factor affecting customer actions. So, you see that consumers depend greatly on easy-to-spot product performance, because in this industry, trying risky new options is something they must do all the time. At the same time, brand awareness and brand image help the brand be accessible and meaningful to the customers. Since these variables are strongly correlated, it means customers are Happy because they develop a trusted relationship with a brand through many positive experiences. Just as earlier studies concluded, this research also finds that brand recognition and emotional brand equity are important factors guiding what consumers decide to buy. It is added in this analysis that post-pandemic consumers now care more about perceived quality and assurance than they do about advertising slogans which may indicate a shift toward caring more about brand performance than promotions. It seems that while advertising and packaging are still useful, they matter less now, because marketing in fast-moving consumer goods (FMCG) is so saturated and product claims are being questioned more often. There are major effects of these insights on FMCG branding. Brand managers have to concentrate on making people trust them by being open, reliable and focused on what customers experience, rather than mainly using picture-perfect ads or famous pitch people. It is important that packaging looks good and is easy to use, good for nature and keeps true to the brand's core values. In addition, the results imply that brand equity can be built properly by focusing on both intellectual aspects (for example, recall and recognition) and emotional ones (for example, reassurance and being a source of identity). When brands use the same story in all areas people interact with them such as online, in stores and with user experiences, they are more apt to turn awareness into loyalty and loyalty into advocacy. As people are more concerned about what they buy, brands now inform how much they trust a company and how related it is to their own values. For this reason, the study confirms the major theories on branding and influences in buying behavior and it also shows how specific brand traits interplay to affect consumer trust and the desire to purchase in actual FMCG environments. Strategic spending on quality, brand image and emotional impact allows firms to battle in a crowded market and maintain loyal customers in the long run.

## VI. CONCLUSION AND RECOMMENDATIONS

Products move quickly, there is a lot of competition and clients are always switching in the fast-moving consumer goods (FMCG) industry. The main purpose of the research was to look at how branding affects decisions made by consumers in this area. Customer spending is affected by branding, since it makes the brand credible, increases loyalty and separates the company from others in the market. Sticking to a consistent message in different advertisements is important, says research that considered factors such as brand recognition, brand impression, the quality people think it has, brand loyalty, advertisements, packaging and being dependable. Fear of the unfamiliar and the effort needed to try something new will cause most buyers to select brands

they already trust when there are many similar items on offer. Companies are able to keep their customers coming back and remain loyal when their strategy touches on engaging their customers, memorable events and always providing top quality. As a consequence such findings could influence the planning of initiatives to promote better food consumption. A good way for makers of fast-moving consumer goods (FMCG) to enhance their brand's image is to remain operating for a more sustained period and make their ads more informative and helpful. Fire safety companies should dedicate resources to ensure the safety of their products, explain what makes their products special to customers and present certifications and customer reviews to confirm the high quality. Firms can make themselves prominent in tough industries by narrating stories, speaking globally recognized language and trying to advertise with true meaning. It is the third key advantage as well. Firms might involve customers more by offering loyalty programs and requesting ideas and opinions about the brand. Because the packaging is the first thing buyers see from a brand, it should do the job well, be eco-friendly and fit the company's look. It's very important to keep the same style on every platform and ads should share your brand's story in a soft way. Managing a brand usually requires continually adjusting approaches after analyzing how customers feel and think, as market trends change. In short, for fast-moving consumer goods (FMCG) products, the key to branding is making customers feel emotionally attached. Flexible delivery time, trust, identity and quality play key roles too. Since people are pickier with what they buy, companies who notice and respond will succeed.

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