

Impact of Retail Marketing Strategies on Consumer Buying Behaviour of FMCG Products

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ABSTRACT

Retail marketing means promoting and selling products directly to customers in stores or online. It focuses on attracting shoppers, improving their experience, and encouraging them to buy. This research seeks to examine the impact of retail marketing strategies on consumer buying behaviour of FMCG products by analysing key retail marketing variables and their influence on purchase decisions. The study aims to contribute to academic literature by providing empirical evidence on the relationship between retail marketing practices and consumer behaviour, while also offering practical insights for retailers and FMCG marketers seeking to optimize their retail marketing strategies in a competitive marketplace

Key words: Retail marketing, FMCG products, Consumer, Buying behaviour

INTRODUCTION

Retail marketing has emerged as a critical strategic function in the contemporary marketing environment, particularly within the Fast-Moving Consumer Goods (FMCG) sector. FMCG products are characterized by high purchase frequency, low unit cost, rapid consumption, and intense brand competition. Due to minimal product differentiation and low switching costs, consumer purchase decisions for FMCG products are often made at the retail level, making retail marketing strategies a decisive factor influencing buying behaviour.

The retail sector has undergone significant transformation in recent years due to globalization, technological advancement, urbanization, and evolving consumer lifestyles. The shift from traditional retail formats to organized and omni-channel retailing has intensified competition and increased the importance of customer-centric marketing approaches. Retailers now actively employ marketing strategies such as price promotions, visual merchandising, in-store advertising, shelf placement, loyalty programs, and store ambience to influence consumers at the point of purchase.

Consumer buying behaviour in the FMCG context is predominantly habitual and impulsive, driven by situational cues rather than extensive pre-purchase evaluation. Retail marketing stimuli play a pivotal role in shaping these behaviours by enhancing product visibility, creating perceived value, and triggering emotional responses. In-store promotions and retail communication strategies not only influence immediate purchase decisions but also contribute to long-term brand preference and loyalty.

Despite the growing significance of retail marketing in the FMCG sector, there remains a need for systematic empirical research to understand the extent to which different retail marketing strategies influence consumer buying behaviour. Many retailers adopt multiple strategies simultaneously without clearly understanding their relative effectiveness. Moreover, changing consumer expectations and increased exposure to digital retail platforms have further complicated the retail decision-making environment.

REVIEW OF LITERATURE

- 1. Blattberg & Wisniewski (1989)** Found that in-store promotions and price discounts significantly influence short-term sales of FMCG products. Their research emphasized that promotions at the retail level can trigger impulsive purchases, especially for frequently purchased goods.
- 2. Levy, Weitz & Grewal (2014)** Demonstrated that store format and layout, along with visual merchandising, substantially affect consumer shopping patterns. Organized retail environments increase product exposure and encourage extended browsing, leading to higher purchase likelihood.
- 3. Grewal et al. (2009)** explored the role of price framing and price information in retail marketing, showing that consumers perceive value not only from actual prices but from how prices and promotions are presented at the retail level.
- 4. Puccinelli et al. (2009)** found that retail atmospherics (music, lighting, and layout) significantly influence emotional responses, which in turn affect both impulse and planned purchases. Notably, consumers in appealing atmospheres tend to spend more time and money.
- 5. Dhar & Hoch (1997)** Revealed that product assortment and variety—key components of retail marketing—drive consumer satisfaction and reduce search cost, thereby influencing brand choice and purchase behavior.
- 6. Karray & Zaccour (2014)**

Studied the effect of loyalty programs and reward schemes in modern retail and found a positive relationship with repeat purchases. Retail loyalty marketing encouraged long-term brand preference and reduced switching behaviour in FMCG categories.

RESEARCH GAP

Many studies have been conducted on consumer buying behavior and marketing strategies in the FMCG sector. However, most of these studies focus on manufacturer-led marketing such as advertising and branding, while limited attention is given to retail marketing strategies used at the store level. Existing research often examines only one factor, such as price or promotion, rather than the combined effect of multiple retail strategies like visual merchandising, pricing, and store ambience. Additionally, there is limited research based on primary data in emerging markets. Therefore, there is a need for a study that examines how retail marketing strategies together influence consumer buying behavior of FMCG products.

OBJECTIVES OF THE STUDY

1. To examine the influence of retail marketing strategies—such as pricing, promotions, visual merchandising, and store ambience—on consumer buying behavior of FMCG products.
2. To investigate the impact of retail loyalty programs and reward schemes on repeat purchases of FMCG products.
3. To identify the most effective retail marketing strategies that drive consumer purchase behavior in the FMCG sector.

RESEARCH METHODOLOGY

1. Sources of data

Primary data collected from structured questionnaire with consumers through google form.

Secondary data collected from newspapers, magazines, books and online websites.

2. Sampling

Followed convenience sampling technique

Sample size is 100

Data Analysis of Questionnaire (100 Respondents)

Section A: Demographics

Demographic	Category	Frequency	Percentage
Age	Below 18	8	8%
	18–25	45	45%
	26–35	30	30%
	36–45	12	12%
	46+	5	5%
Gender	Male	52	52%
	Female	46	46%
	Other	2	2%
Occupation	Student	40	40%
	Professional	35	35%
	Business	10	10%
	Homemaker	12	12%
	Other	3	3%
Monthly Income	<₹20,000	25	25%
	₹20k–50k	40	40%
	₹50k–80k	20	20%
	>₹80k	15	15%

Section B: Retail Marketing Strategies

1. Influence of Price Discounts / Promotions

Response	Frequency	Percentage
Always	30	30%
Often	40	40%
Sometimes	20	20%
Rarely	8	8%
Never	2	2%

2. Influence of Visual Merchandising / Shelf Arrangement

Response	Frequency	Percentage
Very Important	35	35%
Important	40	40%
Neutral	15	15%
Less Important	7	7%
Not Important	3	3%

3. Loyalty Programs Influence

Response	Frequency	Percentage
Always	20	20%
Often	25	25%
Sometimes	30	30%
Rarely	15	15%
Never	10	10%

4. Store Ambience Influence

Response	Frequency	Percentage
Very Much	28	28%
Much	40	40%
Neutral	20	20%
Little	8	8%
Not at All	4	4%

5. Impulse Buying

Response	Frequency	Percentage
Always	15	15%
Often	35	35%
Sometimes	30	30%
Rarely	15	15%
Never	5	5%

6. Factors Most Influencing Purchase Decision

Factor	Frequency	Percentage
Price & Discounts	35	35%
Promotions & Offers	25	25%
Visual Merchandising	20	20%
Store Ambience	10	10%
Loyalty Programs	10	10%

FINDINGS OF THE STUDY

1. Most respondents (45%) are young adults (18–25), suggesting that FMCG retail marketing strategies are mostly influencing younger consumers. The sample has a balanced gender distribution.
2. 70% of respondents are influenced by in-store promotions often or always, showing that price promotions strongly affect purchase behavior
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4.75% of respondents find shelf placement and displays important, highlighting the role of visual merchandising in guiding purchase decisions.

5. Only 45% of respondents are regularly influenced by loyalty programs, suggesting moderate effectiveness compared to promotions or shelf displays.

6.68% of respondents are influenced significantly by store ambience, showing that lighting, music, and cleanliness impact consumer behavior.

7.50% of consumers often or always make impulse purchases, highlighting that retail marketing strategies like promotions and displays can trigger spontaneous FMCG purchases

8. Price and discounts are the top influencing factor (35%), followed by promotions and visual merchandising, showing that retail marketing is most effective through financial incentives and product visibility.

CONCLUSION

Retail marketing strategies significantly influence consumer buying behavior in FMCG products. Price promotions and in-store displays drive immediate sales and impulse buying, while store ambience and loyalty programs play a supporting role. Retailers should focus on an integrated approach combining pricing, promotions, merchandising, and environment to maximize consumer engagement and purchases.

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