

Understanding the Shopping Behaviour of Consumers towards FMCG Sector in Shopping Malls and Quick Commerce

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Abstract

The FMCG sector, India's fourth-largest industry, has undergone a remarkable transformation over the past 20 years and has an impact on everyone's daily lives. The FMCG sector has a significant impact on India's GDP. The study of consumer behaviour focuses on how individuals, groups, and organisations select, acquire, use, and discard products and services that satisfy their needs. India's FMCG industry is still recovering as consumers return to their regular routines. According to NielsenIQ's FMCG Snapshot for Q2 2022, the FMCG industry grew by 10.9% in the quarter ending in June 2022, up from 6% the previous quarter. A double-digit rise in FMCG is also anticipated for India in 2022 as a result of the consumer spending rebound and favourable macroeconomic indicators. We evaluated numerous FMCG Sector components as part of our research study's effort to better understand consumer behaviour. We aimed to analyse customer behaviour across a variety of aspects, including discovering cheaper pricing both online and offline, the impact of shopping malls on impulsive purchases, the mall shopping experience & quick commerce, the impact of online purchasing, & others.

Key Words: Consumer Behaviour, Quick Commerce, Shopping Mall, FMCG Products and Online Shopping

1.INTRODUCTION

The term "consumer packaged goods" is frequently used to refer to Fast Moving Consumer Goods (FMCG) products. High turnover consumer packaged goods, or items that are manufactured, delivered, advertised, and consumed in a short

period of time, that's what defines it. Detergents, toiletries, oral hygiene products, cosmetics, etc. are FMCG products that nowadays rule the market. Pharmacies, consumer electronics, soft drinks, packaged foods, and chocolates are also included in the FMCG industry in India. Different corporations control the market in different sub-sectors because the sector includes a wide variety of items. However, Dabur (60%) Colgate (54.7%), and Hindustan Unilever (54%) are a few of the top FMCG companies in India.

In the worldwide panorama, shopping malls are a new trend. Shopping malls draw customers, inform them, and encourage customers by giving them enough time to make decisions as well as enjoyable ways to shop. The study's findings indicate that factors such as the mall's ambiance, store diversity, sales promotions, and comparative monetary gains draw customers there. While shopping malls have undergone good sales growth, they have indeed remained common commercial channels because of things like the convenience of access, window displaying, the availability of home delivery, and a trusted relationship between buyer and seller.

The analysis outlined the coming trends and predicted that tech-savvy Indians will use digital platforms and networks more frequently to analyze businesses and products and explore for value on group promotional websites. The fast-moving consumer goods (FMCG) industry has undergone an impressive shift over the past 20 years, particularly with regard to the adoption of various quick commerce platforms. Quick commerce's quick delivery window allows buyers to receive their goods in the fastest possible time. The buying behavior of the customer base has drastically

changed. The evolution of technology and the proliferation of enterprises in India have resulted in the emergence of an online platform that caters to a rapidly evolving client base that prefers to purchase in a setting that is deliberately made for them.

Online stores at first sold goods including books, gadgets, supplies, clothing, and other items. However, due to a change in consumer preferences, it has expanded to include selling anything from food to groceries to prescribed eyewear and more. Essentials and other items that one would ordinarily buy in supermarkets or hypermarkets have moved to rapid commerce platforms during the global pandemic. In the following decade, the FMCG and quick commerce segment likely dominate more than half of the market, according to a recent report. The efforts of dependable rapid commerce systems made it feasible for the physical firm to seamlessly migrate to online shopping. The retail industry for food and groceries is predicted to reach \$1.1 trillion by 2025. The sector can be estimated at \$950 billion even if just 15% of sales are made online. For quick commerce platforms, this is a trove of opportunity.

This paper's focus is to highlight the variables influencing consumer purchasing behavior when it comes to FMCG products from shopping malls or quick commerce platforms, and ultimately how these variables influence consumers' decision-making. The information for this study was gathered via questionnaire, and the results were conceptually presented. The study shows that location, commodities, cost, advertising, physiological, and psychological factors all have a significant impact on consumer behavior. However, the impact of these variables varies from each product.

2. LITERATURE REVIEW

Based on a thorough assessment of the literature, the following elements have been identified as those that influence customer purchasing behavior for fast-moving consumer goods both in shopping malls and online. According to B Chandrasekhar 2012. A capable and committed dealer network has been established over time, and the physically dominant

Indian brand has great product equity, customer demand-pull, and all three. By recognizing local demands, the brand must become relevant. The use of distinct brand names for the same product in several geographic locations might be a tactic.

As per Julian Vieceli and Robin N. Shaw's report (2010). When it comes to fast-moving consumer products, brand salience takes into account knowledge, media use, and brand experience. The purchasing habits of consumers for FMCG goods were explored by Sudhamathi (2017). The goal of the study is to understand what influences customer preferences. The author talks about how people consume things, their lifestyles, and how they react to advertisements for products. The report concludes that customers place a higher priority on quality than they do on cost. Consumers also place a high priority on their health while making online purchases.

According to Dey's (2017) research, consumer expenditure and income have increased in India. The rise of social media and the internet has drastically altered society. Consumer lifestyles have changed, which has an impact on how they shop. Consumer awareness is also growing in both urban and rural regions. Instead of cooking and cleaning traditionally, urban folks now choose fast and ready-to-eat cuisine. In comparison to small stores, customers shop more at malls and supermarkets, and they buy more things in quantity. Because they purchase branded goods, consumers have a significant effect on western society. The buyer should proceed with the following actions, Problem identification, information search, alternative evaluation, purchase decision, and post-purchase assessment.

In contrast to less educated, older, female, and less rich individuals, Akhter's (2002) research found that more educated, male, younger, and wealthier individuals are more likely to express interest in online shopping. The way that customers behave affects the quality of the service. As a result, users would experience the high-quality service of user-friendly websites if the website interface allowed users to simply and quickly access the information

or purchase the service they need. Kansal and Singh (2015) investigated the role of brands in FMCG product purchases. The findings indicate that while family background has a negative link with the influence on purchasing FMCG items, factors including educational attainment, gender, occupation, and income have favorable correlations. The two main types of sales promotion employed are cash discounts and gifts.

Marguerite Moore's (2008) study sheds light on how consumers in the bargaining industry react and perceive pricing besides lower price and value. The findings imply that conventional thinking about price and US discount shoppers is simplified, which may herald even more openings for discounters and dangers for their intra-type rivals. The demand for FMCG items increased quickly as the urban market approached saturation. The FMCG industry observes impulsive purchasing behavior among consumers, such as when people go into a store to buy wafers but also buy snacks. Marketers should consider variety, quality, and cheap prices because these are the major reasons that cause consumers to purchase things. . As a result, the marketer must comprehend how consumer behavior is evolving. According to Singh's (2002) research, quality is ranked above price, location, product variety, and parking by supermarket buyers. Similar to this, Seiders (2000) claimed that primary consumers of food and FMCG products favor low prices and assortment more frequently as the reason for store selection whether it should be traditional supermarkets or quick commerce traditional supermarket's primary consumers were less willing to sacrifice location comfort or, in certain cases, reliability and assortment as a result consumers are now shifting to quick commerce.

According to research by Farhangmehr, Marques, and Silva from 2001, the hypermarket is a representation of modernity. Both the conventional Portuguese retailing system and consumer behavior have undergone a significant transformation. The findings demonstrate that consumers choose hypermarkets above other types of retail stores

because of their convenience (they are more practical) and affordable costs. Traditional merchants believe that the emergence of hypermarkets has harmed them. While customers do not hold a negative perception of conventional retail, the comparison study reveals that they do not reflect the positive self-image that traditional merchants hold.

Older customers are particularly price-aware, according to different research by Moschis, Curasi, and Bellenger (2004). (with a frequently precise memory for the costs of commonly purchased items entailing food stores to use regular price reduction promotions), enjoy the interaction, and prefer to buy in a store where they can receive special assistance and support (such as valet service, delivery assistance, carry out help and support, liberal product return, and refund policies). In a research published in 2010, Fowler and Bridges explore the effects of consumer innovation on expectations for and perceptions of service design components such as personnel performance, process design, design of tangible evidence, and dependability of the purchasing experience. According to their findings, the majority of buyers demand excellent performance across all dimensions and detest unexpected shops, especially those they view as dangerous. Additionally, as compared to less inventive customers, innovative customers demand even greater levels of shop features. Both the offline and internet markets for FMCG products in Delhi-NCR are successful. Traditional FMCG consumption is impacted by several variables. for instance, the consumer's age, health, lifestyle, where they live, and financial situation the consumer's health. Teenagers are more likely to make traditional purchases than online ones, with snacks being the most popular. An important trend in retail and marketing is spontaneous purchasing (P. M. M. Ferraz, 2013).

The potential prospects in the Indian FMCG sector have been highlighted in the 2018 IBE report. Due to the existence of a robust industry distribution network, the rural market is becoming increasingly

important for FMCG items and is predicted to reach US\$ 220 billion before the year 2025. Due to customers' high level of adaptation to novel items such as gel-based facials, sugar-free goods, men's cosmetics, etc., the FMCG market in India has significant development potential. An inclination for luxury goods, the fact that India is a hub for sourcing products at reasonable prices, and increasing prevalence in the rural market are further elements that may present opportunities for FMCG expansion in India. According to A. Singhi and N. Jain (2018), one of the top-performing industries is FMCG. Both short-term and long-term high returns have been produced by this industry. FMCG growth rate is less sensitive to macroeconomic reasons since the variance in volume growth has a low link with the GDP growth rate. The economic status of 22 million additional individuals by 2025 will rise to around 10 Lakh annually, which would eventually contribute to the expansion of the FMCG sector. The FMCG business is undergoing a transformative transition as a result of a demographic shift brought on by a rise in the usage of digital media as to take advantage of this chance. Companies must reengineer their business processes for FMCG development.

Based on the development trajectory of the GDP, the increase in rural income, the trend in private consumption, consumer confidence, and inflation, it is possible to explain the future perspective of FMCG sector trends. It has been noted that FMCG businesses of Indian ancestry performed significantly better than international businesses. Seven out of ten businesses with an FMCG annual revenue of more than 1000 crore in 2016 were of Indian origin.

3. RESEARCH METHODOLOGY

The consumer responses to the chosen categories were evaluated using a questionnaire. 200 consumers in total gave their interpretation on the same. To conduct research and better understand consumer attitudes on shopping malls and quick commerce, researchers paid a visit to Malls in Delhi NCR. Ten questions made up the questionnaire. A questionnaire was utilized to collect data on several

elements of customer behavior toward quick commerce and shopping malls. Each question is developed uniquely in accordance with the specifications, such as ratings, reasons to select a specific platform, etc.

In order to get the consumer's insight further into factors influencing their purchase intention from a particular platform, the researcher used a structured questionnaire with closed-ended questions in this research paper. Researchers had used interview methods with the aid of questionnaires to gather the primary data even though this study was both qualitative and quantitative in essence.

4. RESULT

The data were incorporated and investigated utilizing MS Excel for Windows computer software. The Data is collected by doing an online survey & an offline survey at a shopping mall in Ghaziabad. Following is the demographic details of the respondents

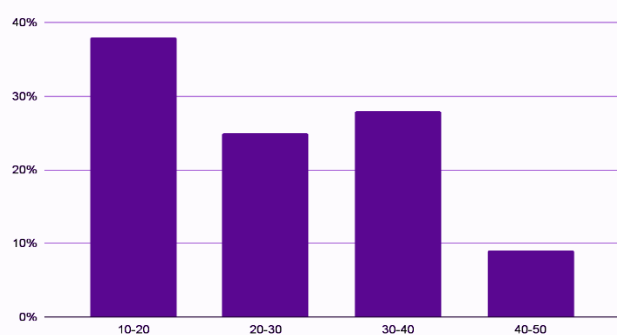


Chart 1: Showing the Age Group of the Respondents

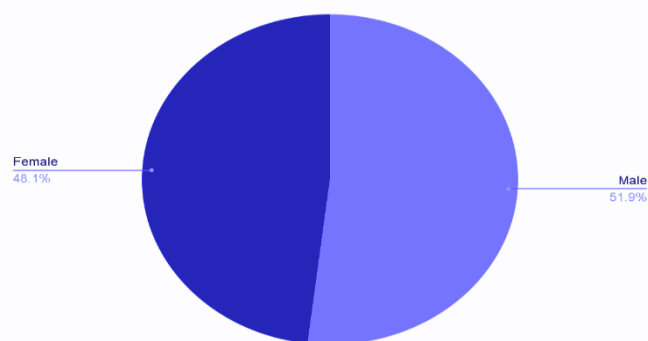


Chart 2: Percentage of Male & Female Respondent

4.1. Consumer Behaviour On Finding Better Deals- Shopping Malls or Quick Commerce

Shopping centres have changed over time to accommodate customers' wants. The most popular shopping destinations in the world today are without a doubt malls. Even if malls are the preferred destinations for shoppers, many consumers also choose quick commerce websites when it comes to buying basic essentials. When it comes to FMCG products, both quick commerce websites and shopping malls provide significant savings.

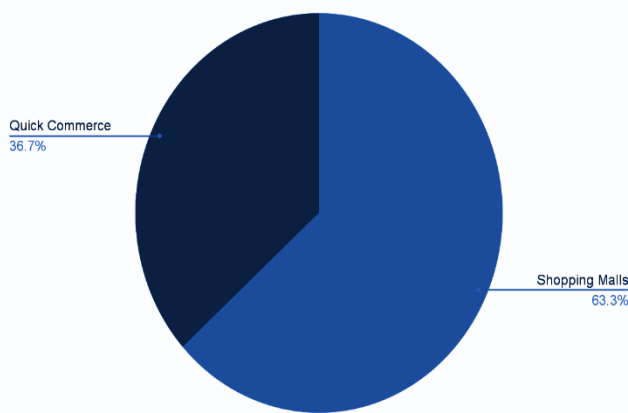


Chart 3: Percentage of People buying FMCG Products at Shopping Malls & Quick Commerce.

However, according to our research study, the majority of respondents find greater deals in physical stores and shopping malls than on quick commerce websites.

4.2. Influence of Shopping Malls on making Unplanned purchase related to FMCG

Customers nowadays are far more sophisticated and dynamic than those we had in the past. Customer behaviour is changing drastically, along with marketing and advertising tactics. Most often, people have a purpose or goal in mind when they visit a mall. It may be to see a movie, buy necessities, etc. However, it has frequently been noted that customers also make impulsive purchases, and this is particularly common when it comes to FMCG goods. This fact is supported by our primary data.

Making an Unplanned Purchase

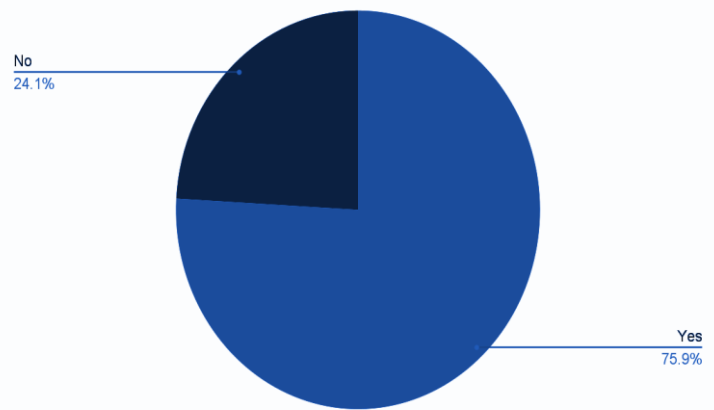


Chart 4: Percentage of People making an Unplanned Purchase at Shopping Malls

More than 75% of respondents in the sample survey believe they occasionally make impulsive purchases. This perception may be influenced by eye-catching signage, appealing product placements in shopping malls, and a variety of other factors.

4.3. Shopping Experience of FMCG Products at Shopping Malls & Quick Commerce Platforms

When buying something, customers' shopping experiences in shopping centres and on Quick Commerce websites are very different. In this section, we sought to comprehend peoples' propensities towards both. When it comes to making purchases both online and offline, people may come across various products or services.

Shopping Experience

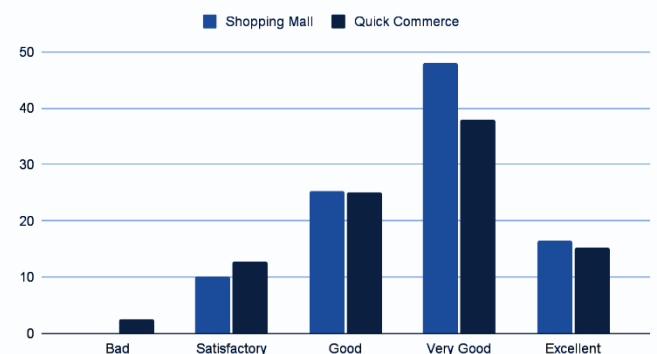


Chart 5: Shopping Experience at Shopping Malls & Quick Commerce

When it comes to purchasing FMCG goods from Quick Commerce Websites, we discovered that the

majority of people's experiences fall into the category of good to exceptional in the sample we collected regarding the shopping experience in malls. Although just a small percentage of people engage in the "great" shopping behaviour in both situations.

4.4. Influence of Online Purchasing over Offline FMCG- Pricing, Availability & Convenience

Quick commerce or online shopping has drastically influenced, how customers purchase FMCG products, Nowadays shopping malls or online/ quick commerce have a tough competition attracting customers and the buying decision depends upon the availability of product, convenience of delivery, time involved along with better deals or offers involved with purchase. In the same contrary we ought to understand the preferability of platform while considering the purchase of FMCG products.



Chart 6: Percentage of People doing Online Purchase (Quick Commerce) over Offline Purchase

According to our survey we have concluded that more than 78% of customers are preferring quick commerce purchase of FMCG products against 22% still preferring to purchase from shopping mall. This perception maybe influenced by better deals and offers on the products or variety of options to choose from with several others factors influencing the cause.

4.5. Main Motivate to purchase FMCG Products at Shopping Malls

There are several factors which motivates a customer to buy the products either offline or online and these motivating factors decide upon the sale of FMCG products, offline shopping at malls has been one of

the most prominent and adapted way for shopping but due to this new change in technology Quick commerce websites have emerged as a tough competitor. In this segment we wish to understand the factors which still motivates the customers to go for offline purchases at shopping malls rather than quick commerce.



Chart 7: Motivation behind Purchasing FMCG Products

When it comes to purchasing FMCG goods from Shopping Malls, we have observed that the majority of people are driven towards shopping malls due the variety of options and substitutes available acting as the highest motivating factor for more than 60 % of the people followed by discount schemes attractions with 50% part of motivation along with service, proximity and at last ambience with less than 20% being the least motivating factor.

5. LIMITATION

This study has several limitations, same as previous studies. First off, the limited generality of this study results from its use of mainly FMCG products. The suggested framework has to be tested keeping in mind the education qualification as well as the knowledge base of the respondents to increase the generalizability of the identified linkages in this research. Second, despite the fact that this might be a crucial subject for future research, this study does not take into account how different age groups react to the advantages and disadvantages of FMCG product consumption through quick commerce or

shopping malls as consumer behavior varies differently depending upon age factor. Then, in this study, participants responded to interview questions in a hurry, which may have an impact on their replies as consumers and alongside the respondents were limited to 200 only while offline- survey was able to cover only a few shopping malls in the area restricted within Delhi-NCR. To improve the generalizability of the findings, future research may additionally take into account more specific and determined concerns.

CONCLUSION

As this research study comes to an end we found that there are several factors that affect how consumers purchase for FMCG products in shopping malls and quick commerce respectively. The customers provided feedback on several aspects of the chosen dimensions; each customer was of different age and gender. It has been discovered that customers prefer shopping malls over quick commerce while making a purchase, especially in the FMCG industry. They do so because they believe shopping malls offer excellent customer service, a broader gamut of goods, more discounts, and a visually appealing atmosphere. Some facilities improvements can satisfy clients to their whole satisfaction. Customers should have access to a wide range of shopping options on quick commerce platforms. Also, customers should be made aware of the fact that doing their shopping on quick commerce can save them time. Customers want quick delivery of high-quality goods, and a large selection of goods at reasonable costs which are two major factors that can draw more people to online shopping. These few changes can draw a good crowd towards quick commerce.

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