

The influence of marketing mix on consumer buying decisions in the context of fast-moving consumer goods

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ABSTRACT

The marketing mix serves as a foundational framework for businesses to design and implement successful marketing strategies in competitive markets. In the context of FMCG, these elements play a crucial role in shaping consumer perceptions, preferences, and purchasing decisions. The purpose is to examine the relation of the four elements of marketing mix with consumer buying decisions in the context of FMCG. Total of 106 consumers participated in the study and the research was conducted in Aizawl, Mizoram. The sampling techniques used are convenience sampling and quota sampling techniques. Structured questionnaires were designed and the data was analysed and interpreted in Jamovi. The results indicated that Product, Place, Promotion, and Place are significantly related to consumer buying decisions. The practical implications of this study empower businesses to create more effective marketing campaigns and drive success in the FMCG sector. The theoretical implications can contribute to the advancement of marketing theory and practice.

Keywords: marketing mix, consumer behaviour, fast-moving consumer good, one sample t-test

INTRODUCTION

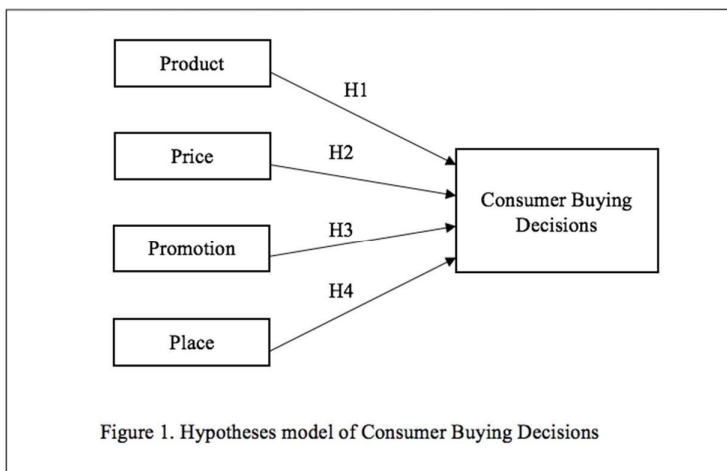
The concept of the marketing mix, includes the elements of product, price, place, and promotion, was first introduced by Neil Borden in the 1950s (Pour, Nazari, & Emami, 2013). However, it was popularized by E. Jerome McCarthy in the 1960s in his book "Basic Marketing: A Managerial Approach." The marketing mix concept is based on the idea that a company's marketing efforts can be categorized into these four key components to achieve its marketing objectives. Understanding and effectively utilizing the marketing mix can significantly influence consumer behaviour towards Fast-Moving Consumer Goods (FMCG). By strategically adjusting these elements, companies can create a compelling value proposition that resonates with consumers and drives their purchasing decisions. The marketing mix serves as a foundational framework for businesses to design and implement successful marketing strategies in competitive markets. In the context of fast-moving consumer goods (FMCG), these elements play a crucial role in shaping consumer perceptions, preferences, and purchasing decisions. By carefully managing these components, companies can effectively target their audience, create brand awareness, and ultimately drive sales in the competitive FMCG market. Understanding how each element of the marketing mix impacts consumer behaviour is essential for developing successful marketing strategies in the FMCG sector.

The marketing mix plays a crucial role in influencing consumer behaviour towards fast-moving consumer goods can significantly impact consumer perceptions and purchasing decisions in the FMCG sector. By strategically managing these elements, companies can create a competitive advantage, attract target customers, and drive sales. The practical significance lies in the ability of a well-crafted marketing mix to enhance brand visibility, differentiate products from competitors, and ultimately increase market share and profitability within the FMCG industry. The theoretical significance in the field of marketing, impact consumer behaviour provides valuable insights into consumer decision-making processes. This knowledge helps marketers tailor their strategies to better meet consumer needs and preferences, ultimately leading to more effective marketing campaigns. By studying this relationship, researchers can uncover underlying principles and theories that explain why certain marketing strategies are more successful than others in influencing consumer behaviour towards FMCG products. This theoretical significance contributes to the development of marketing theories and frameworks that guide practitioners in creating impactful marketing strategies (Panwar *et al*, 2019).

The study of consumer behaviour and buying patterns is a crucial aspect of marketing and understanding consumer preferences. It delves into the decision-making processes that consumers go through when purchasing products or services. Factors such as cultural influences, social factors, personal preferences, and psychological factors all play a role in consumer behaviour. By analysing consumer behaviour, businesses can gain insights into what drives consumer choices and adjust their offerings accordingly to enhance customer satisfaction and loyalty. Consumer buyer decision is the multi-step decision-making process where the people take part in it, to satisfy their needs and wants in the marketplace. (Childers, & Rao, 1992) The factors can be cultural, social, personal, and psychological, and they often interact in complex ways to shape an individual's buying behaviour. One of the key factors that has been extensively studied is the impact of age on consumer behaviour and attitude towards pricing (Slabá, 2020). Researchers have found that age can significantly influence an individual's buying preferences, with younger consumers often being more price-sensitive and more likely to purchase non-branded goods, while older consumers may be more inclined to buy branded products and be less price-sensitive. In addition to age, other personal and socio-demographic characteristics such as lifestyle, occupation, and economic situation also play a crucial role in shaping consumer behaviour. Individuals with a higher income are more likely to purchase more expensive products, while those with lower incomes tend to opt for more affordable options. Similarly, a person's lifestyle and the way they live within their social environment can also influence their purchasing decisions, as they may choose products that align with their desired image or social status. Social influences can shape consumer behaviour, companies can better anticipate trends, preferences, and buying patterns within specific demographics. Additionally, recognizing the significance of social factors allows companies to make more targeted and relevant advertising campaigns that resonate with their target customers. Personal factors can include demographics such as age, gender, income, and occupation, as well as psychographics like lifestyle, values, beliefs, and personality. The study of psychological factors that influence consumer behaviour explores how various mental processes, emotions, and behaviours impact the decisions individuals make when purchasing goods or services.

Consumer decision-making process include problem recognition, search of information, evaluation of alternatives, purchase, and post-purchase. The factors include personal preferences, price, quality, brand reputation, social influences, and marketing efforts. By analysing consumer behaviour and the factors that influence buying decisions, businesses can improve their sales and overall success in the market. Consumer buying decisions are of paramount importance in the world of business and economics. They play a crucial role in shaping market trends, influencing product development, and determining the success of businesses. These decisions not only influence individual consumers but also have wider implications for the economy as a whole. By studying consumer buying behaviour, businesses can gain insights into trends, anticipate demand, and stay competitive in the market. Ultimately, consumer buying decisions drive the entire supply chain and are a key driver of economic growth and development (Panwar *et al*, 2019).

Product refers to the actual item or service being offered, Price is the cost associated with it, Place involves distribution channels, and Promotion encompasses advertising and communication strategies. The marketing mix is important for businesses to reach and achieve their target and objectives effectively. The purpose of the study is to examine the four element of marketing mix with consumer buying decisions in the context of FMCG.



Review of Literature

Mithun and Soma (2023) explored the conversion of Parle-G marketing communication from a traditional mode to a digital mode over the past four decades, from 1982 to 2021. The study demonstrated how Parle-G has implemented innovative and digital marketing strategies in order to promote its FMCG brand in the emerging economies like India. During the period 2016-2021, the study has found that Parle-G has used digital marketing communication to fulfil the required contemporary marketing communication. A paradigm shift in Parle-G's model has been observed for creating a digital connection and digital marketing among the consumer and organisation.

Natasha and Ali (2022) validated the positioning taxonomy for the fast-moving consumer goods sector in Indian market. The study used a systematic technique for development and validation of scale.

Based on literature review, focus group and expert opinion, are used for item generation and selection. Confirmatory factor analysis is executed to determine convergent, discriminant, and nomological validity of the study. The findings of the study revealed that the consumer-derived taxonomy of positioning strategies: value for money, being local, premiumization and product attributes, for the fast-moving consumer goods sector have been validated.

Wilkins and Ireland (2022) determined the consumer trade-off preferences for various type of fast-moving consumer goods (FMCG) products among product quality, product price, and pack quantity. A choice-based conjoint analysis was adopted, and three samples of American consumers was used for the study. The results revealed that three fast-moving consumer goods categories were tested, product quality is the attribute that has the most favourable by respondents. While, pack quantity has the least important product attribute. The findings suggested manufacturers instead of increasing price or lowering quality, to reduce the pack quantity for maximum profit.

Andrii *et al* (2022) presented an integrated method for demand driven supply chain management for Fast moving consumer goods at the distribution stage. The operation of logistics system effected by end-consumers and demand has been inspected. The systems analysis displays the interdependence of parameters and take into account from the logistics system and the consumption system, and it is an addition of knowledge on the usage of consumer-oriented approach in demand-driven supply chain. Findings of the study can be helpful in developing and establishing a modern demand driven supply chain.

Narci and Inaolaji (2022) focused on examining how marketing mix elements influence consumer purchasing decision in Oyo State. The result showed that the marketing mix strategies have positive connection in consumer purchasing decision. Kasirye examined the impact of marketing mix (4Ps) on purchase decisions of students in university mini-marts, and focus on the impact of advertisements, personal selling, promotion, public relation and publicity on consumer purchasing decisions (Kasirye, 2022).

Nasiri, Kalantari, and Karimi (2020), in their study, tried to determine the optimal pricing policy of products in different sales and distribution channels, a mixed-integer non-linear programming model is developed while combining location-allocation decisions and inventory control in an uncertain environment of distribution centres. A connection between demand for product has a critical challenge for modelling and pricing. The operational decision is pricing, because of its role in customer demand and market share, that impact the number and capacity of facilities and the chain structure. To attain global optimization, pricing decisions, location- allocation, and inventory decisions need to be taken into consideration.

METHODOLOGY

For the research, 106 consumers participated in the study and conducted in Aizawl, Mizoram. The participants are in the age group of 18 years and below, 19-29 years, and 30 years and above. The male participants are more than the female. Both primary and secondary data are used for the study. Primary data are acquired through responses received from the questionnaire. Journals, articles, and websites are the

secondary data used. The sampling techniques used are convenience sampling and quota sampling to select the participants. *Convenience sampling* is a non-probability sampling method where collection of data is easily accessible. *Quota sampling* is a non-probability sampling method to study specific segments within a larger population. The questionnaires consist of 18 items, of which 2 items is the age and gender. The remaining 16 items are the questions regarding product, price, place, and promotion of marketing mix, each element with 4 items. Likert scale of five points was used. The data collected are analysed and interpreted in Jamovi.

RESULTS AND INTERPRETATION

Descriptive, Normality, and Frequency Analysis

Table 1 indicated the mean (3.24-3.53) and SD (0.668-0.770). The mean is a measure of central tendency value in a set of data. Standard deviation (SD) is a measure of the dispersion of the data points around the mean. In research, mean and SD are used to describe the distribution of scores or the variability within a sample. The measures play a crucial role in summarizing and interpreting findings accurately. In Table 2, 106 respondents participated in the study, of which (61, 57.5%) are male and (45, 42.5%) are female. The participants age group level are 18 years and below (11, 10.4%), 19-29 years (57, 53.8%), and 30 years and above (38, 35.8%).

Table 1 Descriptive of Marketing Mix Elements

Element	N	Mean	SD
Product	106	3.53	0.668
Price	106	3.41	0.770
Promotion	106	3.24	0.744
Place	106	3.36	0.709

Table 2 Frequencies of Age and Gender

Frequency of Age			Frequency of Gender		
Age	Counts	% of Total	Gender	Counts	% of Total
18 years and below	11	10.4%	Female	45	42.5%
19-29 years ^{SEP}	57	53.8%	Male	61	57.5%
30 years and above	38	35.8%	Other	0	0%

Reliability Analysis

The overall Cronbach's Alpha value is 0.878, the value as (0.91-1.00= excellent), (0.81-0.90= Good), (0.71-0.80 = Good and Acceptable), (0.61-0.70 = Acceptable), (0.01- 0.60 = Non- acceptable) interpreted by (Konting et al., 2009). According to Greg, (2022), results for item-total correlation can also assist show discrimination in your questionnaire items. Values (0-0.19) weak discrimination; (0.2-0.39) suggest good discrimination; and (0.4 and above) imply significant discrimination. Negative values are not good at all (David, 2022). Table 3 showed item-rest correlation values between (0.376 – 0.649), as all 16 items value

are above 0.30 indicate good discriminant power. The Cronbach's Alpha value (0.865-0.877), mean (3.09-3.70), and SD (0.906- 1.094).

Table 3 Reliability Statistics

Item	Mean	SD	Item-rest correlation	If item dropped
				Cronbach's Alpha
Product 1	3.51	0.939	0.475	0.872
Product 2	3.70	0.968	0.539	0.870
Product 3	3.43	0.956	0.426	0.874
Product 4	3.48	0.988	0.376	0.877
Price 1	3.55	1.015	0.389	0.876
Price 2	3.29	1.051	0.649	0.865
Price 3	3.45	1.061	0.497	0.872
Price 4	3.34	1.094	0.527	0.870
Promotion 1	3.09	1.028	0.538	0.870
Promotion 2	3.37	1.027	0.625	0.866
Promotion 3	3.17	1.028	0.481	0.872
Promotion 4	3.32	0.942	0.508	0.871
Place 1	3.26	0.959	0.476	0.872
Place 2	3.40	0.963	0.599	0.867
Place 3	3.33	0.933	0.589	0.868
Place 4	3.44	0.906	0.639	0.866

Correlational Analysis

The correlation coefficient 'r' measure the strength and direction of linear relationship between two variables (Asuero, Sayago, & González, 2006). The p-value is used to determine whether the correlation coefficient is statistically significant (Chuck,2023). The p-value less than 5% (p<0.05) the correlation coefficient is called statistically significant. Table 4 revealed that product, price, place, and promotion are significantly correlated with each other as their p value is <.001.

Table 4 Correlation Matrix of Marketing Mix Elements

	Product	Price	Promotion	Place
Product	—			
Price	0.557***	—		
Promotion	0.434***	0.547***	—	
Place	0.549***	0.527***	0.697***	—

Note. *p<.05, **p<.01, ***p<.001

Hypotheses Testing

To find the objective of the study, one sample T-test was tested. The results showed that the four element of marketing mix are statistically significant to consumer buying decisions in the context of fast-moving consumer goods. Therefore, H1(product), H2 (price), H3 (promotion), and H4 (place) were supported (see

Table 5).

Table 5 Hypotheses Testing

Hypothesis	t	p value	Result
H1	8.18	<.001	Supported
H2	5.45	<.001	Supported
H3	3.29	0.001	Supported
H4	5.21	<.001	Supported

Conclusion

The model fit showed the Cronbach’s alpha is 0.878, TLI is 1, chi-square=164, df= 6, $p < 0.001$. The results showed that the marketing mix elements are significantly related to consumer buying decisions in the context of FMCG. The product plays a crucial role in shaping consumer preferences and purchasing decisions. Factors such as product quality, features, branding, and packaging all contribute to how consumers perceive and interact with a product. By strategically managing the product element of the marketing mix, businesses can influence consumer behaviour positively and drive sales. Pricing is a crucial element that influences consumers perceive and interact with a product or service. It helps businesses set competitive prices, determine pricing strategies, and ultimately drive sales. Consumers often evaluate prices in relation to the perceived value of a product or service, making it a key factor in their decision-making process. By strategically managing pricing within the marketing mix, businesses can effectively attract and retain customers while maximizing profitability. The location and accessibility of a product can influence consumer purchasing decisions and overall satisfaction. By strategically placing products where consumers can easily access them, businesses can positively influence consumer behaviour. Therefore, place element in the marketing mix is essential for businesses aiming to effectively reach and engage their target audience. In marketing, the promotional element involves strategies to communicate with and persuade target audiences about a product or service. Understanding how promotions impact consumer behaviour is crucial for businesses aiming to effectively reach and engage their target market. By emphasizing the importance of promotion within this mix, the input likely highlights the role of advertising, sales promotions, public relations, and other promotional tactics in shaping consumer perceptions and purchase decisions. Ultimately, the effectiveness of promotional efforts can greatly influence consumer behaviour, affecting aspects such as brand awareness, brand loyalty, and purchase intent.

The practical implications of marketing mix play a crucial role in influencing consumer buying decision towards FMCG can effectively attract and persuade consumers to purchase their products. This knowledge can lead to increased sales and brand loyalty within the competitive FMCG market. Additionally, analysing the implications of the marketing mix on consumer behaviour can guide companies in making informed decisions regarding product development, pricing strategies, distribution channels, and promotional activities. Ultimately, recognizing the practical implications of the marketing mix can empower businesses to create more effective marketing campaigns and drive success in the FMCG sector.

The theoretical implications of marketing mix influencing consumer buying decision towards fast-moving consumer goods help marketers to tailor their strategies to better meet consumer needs and preferences, ultimately leading to more effective marketing campaigns. By studying these theoretical implications, researchers can gain a deeper understanding of the complex relationship between marketing strategies and consumer behaviour in the FMCG sector. This knowledge can also inform the development of new theories and frameworks to enhance our understanding of consumer behaviour in the context of the marketing mix. Overall, exploring the theoretical implications of how the marketing mix influences consumer behaviour towards FMCG products can contribute to the advancement of marketing theory and practice.

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