

The Influence of Marketing Mix on Consumer Buying Decisions in the context of Fast-Moving Consumer Goods

Vanlalhruii Leivang¹, Prof. L S Sharma²

¹Research Scholar, Department of Management, Mizoram University, India

²Professor, Department of Management, Mizoram University, India

Abstract:

Customer behaviour is the aggregate of how individuals perceive, decide their requirements, buy and experience products, and proceed to address issues. The customer plays the roles of user, payer, and buyer in consumer buying decisions. The objective of the paper is to examine the relationship between the marketing mix elements and consumer buying decisions of fast-moving consumer goods. The study for the research was conducted in Aizawl, Mizoram. A total of 106 respondents, 57 (53.8%) of the participants belong to the age group 19-29 years, 30 years and above (38, 35.8%), and 18 years and below (11, 10.4%). The male participants (61, 57.5%) are more than the female (45, 42.5%). Quantitative and structured questionnaires were designed and the data were collected through an online survey tool. Analysis and interpretation of data were performed using descriptive and frequency statistics, reliability statistics, correlational matrix, and one sample T-test in Jamovi. A one sample T-test was executed to present the relationship between the marketing mix elements to consumer buying decisions of fast-moving consumer goods. The results indicated that Product (H1, $p < 0.001$), Place (H2, $p < 0.001$), Promotion (H3, $p = 0.001$), and Place (H4, $p < 0.001$) of the marketing mix are significantly related to consumer buying decisions.

Keywords: Marketing mix, consumer behaviour, fmcg, one sample t-test

1. Introduction

Marketing mix is defined as the set of marketing tools (product, price, place, and promotion or the 4Ps) that the firm uses to sell a specific product and pursue its marketing objectives. The marketing mix influenced the process and decision in planning the marketing strategy. Product is described as the physical product or service offered to the customer, for which the person is willing to pay. Price refers to the right cost offered for the right product. Pricing strategy and decisions should take into consideration profit margins, sustainability, and competition. Place deals with the location or where the product is expected to be available and sold. It means making the product available at the convenience of the customer at the right price for the right product. Promotion refers to communicating to the target customer about the product's availability, price, and what it has to offer. Depending on the market scenario, any one of the functions can be changed in order to create a strategy required for sell of a product.

Customer behaviour can be illustrated as the aggregate of how individuals perceive, decide their requirements, buy and experience products, and proceed to address issues. 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. The customer plays the roles of user, payer, and buyer in consumer buying decisions. The psychological way that a consumer pass through to recognize needs and find ways to fill the gaps is formed by making decisions about a purchase, processing information, planning, and, implementing plans. The decisions made by customers include the availability of the product, required information, features, functionality, and cost that lead to the purchase of the product. The critical challenge for fast-moving consumer goods (FMCG) industry is understanding consumer demand and wants.

The objective of the paper is to examine the relationship between the marketing mix elements and consumer buying decisions of fast-moving consumer goods. The marketing mix elements are Product, Price, Promotion, and Place. Product is described as the physical product or service offered to the customer. Promotion refers to communicating to the target customer about the product's availability, price, and what it has to offer. Price refers to the right cost offered for the right product. Place deals with the location where the product is available and sold.

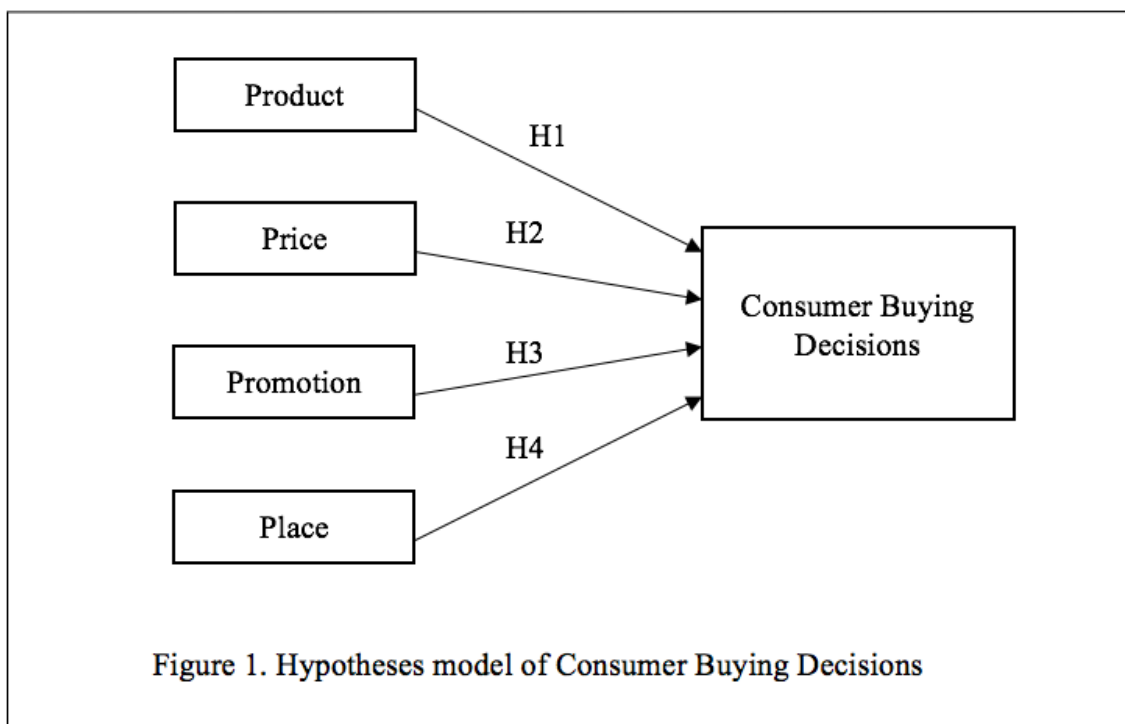


Figure 1. Hypotheses model of Consumer Buying Decisions

2. Review of Literature

Wong et al (2023) examined the impact of product, price, place, and promotional strategies of organic products on Malaysia and China consumers purchase decision. A questionnaire was designed, purposive sampling was used to collect data from 484 respondents, of which 150 Malaysians and 334 China consumers. The structural equation modelling (SEM) technique was used to test the relationships using AMOS software. The outcome of the present study revealed that price, product, and promotional strategies have significant influenced on the respondents' buying decisions. Also, nationalities controlled the relationship between product and promotion whereby the Malaysians were more pronounced compared to China consumers. Jiang et al (2023) determine if the marketing mix and attitude of retail consumers in Beijing, China have significant effect on the buying decisions of organic food product. A quantitative

method was used in this study, and the hypothesis test using PLS-SEM confirmed that product, place and promotional strategies have positive significant relationship with attitude and buying decisions of consumer. Whereas, price had no influence and income was not a moderator. This study contributes to the existing knowledge on consumer behaviour towards organic food market and provide suggestions to marketers, producers and practitioners to develop more effective strategies towards customers' demand in organic products.

Narci, and Inaolaji (2022) focused on examining how marketing mix elements influence consumer purchasing decision in Oyo State. The result shows that product, price, place and promotion strategies have positive connection in consumer purchasing decision. Kasirye (2022) examined the impact of marketing mix (4Ps) on purchase decisions of students in university mini-marts. The study uses the Theory of Planned Behaviour to explain the relationships, and the findings showed that students consider price and place as essential tools in buying decisions, whereas product quality and promotion does not affect purchase decisions from the university mini-marts. Marketers must carry out detailed research and develop products based on the needs of customers. The finding of the study focuses on the impact of advertisements, personal selling, sales promotion, public relations and publicity on consumer purchasing decisions.

Kengpol, Pichitkarnkar, and Elfvengren (2022) investigated the major effective factors of consumer behaviour and created a decision support system (DSS) on functional beverage. The structural equation modelling (SEM) was used, and results showed that motivation, reference group, and knowledge have no influenced on the consumer behaviour through Marketing Mix. The value of DSS can help entrepreneurs to produce beverage to meet consumers' satisfaction, and choose a suitable product that provides consumer needs in terms of tastes, brand awareness, and health benefits. Chou et al (2020) examined green marketing's influence on consumer attitudes through the mediating role of marketing mix to green products in Taiwanese consumers. Structural equation modelling (SEM) was used, and findings implied that the intention of green consumption was significantly driven by attitude. Furthermore, the effect of perceived quality, and consumer willingness are both significant and positive.

Mushtaq, and Salar (2022)^[1]_[SEP] investigated the impact of marketing mix elements on consumer buying behaviour at Meerut city supermarkets. Results showed that personnel, promotion and price factors have major influence on consumer buying decision, tailed by shopping convenience, store atmosphere, and product respectively. Additionally, with regard to the marketing mix elements, there is a significant difference between consumers of different age group, educational qualification, and Income level. Hanaysha, Shaikh, and Alzoubi (2021) identified the links between marketing mix elements and consumers' purchase decision process in Malaysian retail industry. The findings implied that advertising has a positive and statistical significant on consumers' purchase decision, and distribution intensity has a negative effect, however price plays a key role in consumers' purchase decision process. Additionally, store image and store location have positive links with purchase decision. Alhamdi (2020) studied the concept, importance, and role of packaging in attracting the consumer's attention in Riyadh city. The results confirmed that the design, colour, size, and shape of the product have a positive significant influence in consumer attraction. The recommendation is to adopt a clear policy for packing that will cope with advance technological development and rapid changes in consumer's tastes.

3. Research Methodology

The study for the research was conducted in Aizawl, Mizoram. A total of 106 respondents, 57 (53.8%) of the participants belong to the age group 19-29 years, 30 years and above (38, 35.8%), and 18 years and below (11, 10.4%). The male participants (61, 57.5%) are more than the female (45, 42.5%). A convenience sampling and quota sampling techniques are used for selecting the participants. Quantitative and structured questionnaires were designed and the data were collected through an online survey tool. The questionnaire consists of 18 items and Likert scale of five points was used, Strongly Disagree indicates 1 and Strongly Agree indicates 5. Analysis and interpretation of data were performed using descriptive and frequency statistics, reliability statistics, correlational matrix, and one sample T-test in Jamovi version 2.3.19 software.

4. Results and Interpretation

4.1. Descriptive and Frequency Analysis

In Table 1. Showed the mean and SD of Product (3.53, 0.668), Price (3.41, 0.770), Promotion (3.24, 0.744), and Place (3.36, 0.709). A total of 106 respondents, 57 (53.8%) of the participants belong to the age group 19-29 years, 30 years and above (38, 35.8%), and 18 years and below (11, 10.4%). The male participants (61, 57.5%) are more than the female (45, 42.5%). (See Table 2)

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. Frequency of Age and Gender

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

4.2. 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). In Table 3, the item-rest correlation values are between (0.376 – 0.649), mean (3.09- 3.70), and SD (0.906- 1.094). All 16 items have good discriminant power as all values of item-rest correlation are above 0.30.

Table 3. Item Reliability Statistics

Item	Mean	SD	Item-rest correlation	If item dropped
				Cronbach's Alpha
PD1	3.51	0.939	0.475	0.872
PD2	3.70	0.968	0.539	0.870
PD3	3.43	0.956	0.426	0.874
PD4	3.48	0.988	0.376	0.877
PC1	3.55	1.015	0.389	0.876
PC2	3.29	1.051	0.649	0.865
PC3	3.45	1.061	0.497	0.872
PC4	3.34	1.094	0.527	0.870
PM1	3.09	1.028	0.538	0.870
PM2	3.37	1.027	0.625	0.866
PM3	3.17	1.028	0.481	0.872
PM4	3.32	0.942	0.508	0.871
PL1	3.26	0.959	0.476	0.872
PL2	3.40	0.963	0.599	0.867
PL3	3.33	0.933	0.589	0.868
PL4	3.44	0.906	0.639	0.866

Note. PD1, PD2, PD3, PD4= Product; PC1, PC2, PC3, PC4= Price; PM1, PM2, PM3, PM4= Promotion; PL1, PL2, PL3, PL4= Place

4.3. Correlational Analysis

Correlational analysis (see Table 4) revealed that there are significantly correlated with all the items.

Table 4. Correlation Matrix

	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

4.4. Hypothesis Testing

In Table 5, A one sample T-test was executed to present the relationship between the marketing mix elements and consumer buying decisions of fast-moving consumer goods. The results indicated that Product (H1, p<0.001), Place (H2, p<0.001), Promotion (H3, p=0.001), and Place (H4, p<0.001) of the marketing mix are significantly related to consumer buying decisions. For statistical significance, a probability of less than 0.05 was set. Thus, H1, H2, H3, and H4 were confirmed.

Table 5. One Sample T-test

Element	Statistic	df	p
Product (H1)	8.18	105	<.001
Price (H2)	5.45	105	<.001
Promotion (H3)	3.29	105	0.001
Place (H4)	5.21	105	<.001

5. Findings and Conclusions

The reliability and fitness of the model showed that the Cronbach’s alpha value is 0.878, Tucker-Lewis Index (TLI) is 1, Bartlett’s test of sphericity is ($\chi^2=164$, $df= 6$, $p < 0.001$), and overall sampling adequacy is 0.745 measured by Kaiser Meyer Olkin (KMO). For statistical significance, a probability of less than 0.05 was set. A one sample T-test was executed to present the relationship between the marketing mix elements and consumer buying decisions of fast-moving consumer goods. The results indicated that Product (H1, $p<0.001$), Place (H2, $p<0.001$), Promotion (H3, $p=0.001$), and Place (H4, $p<0.001$) of the marketing mix are significantly related to consumer buying decisions. The consumers focus on the product quality, reliability, packaging, and the brand name to make a decision on the purchase of a product. The price of a product is influenced by the brand name, performance, status, discounts, and offers. The physical location, availability, layout, convenience, accessibility, and opening hours influences the purchase behaviour of the customers. The consumers are also concerned about the advertisement, sales promotion, and opinions of family and friends for purchasing decision of a product. The findings can be significant for policymakers, managers, business owners, and researchers in fast-moving consumer goods industry.

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