

“Impact of FMCG Marketing Strategies on Consumer Buying Behaviour in Bihar”

Major Shahbaz Shahien¹, Prof (Dr.) Shobh Nath Singh²

¹Research Scholar, P.G. Department of Commerce and Business Management,
V.K.S. University, Ara

²Assistant Professor, Department of Commerce, G.B. College, Ramgarh

Abstract:

Fast-moving consumer Goods (FMCG) retail marketing plays a significant role in shaping regional economies by influencing consumption patterns, employment opportunities, and market accessibility. Bihar, an emerging consumer market in India, has witnessed steady growth in FMCG retailing driven by rising incomes, urbanisation, and improved distribution networks. This study examines the role of FMCG retail marketing in employment generation and consumer market expansion in Bihar. Using a descriptive and analytical research design, primary data were collected from retailers, distributors, and consumers, supplemented by secondary sources such as government reports and industry publications. The findings reveal that FMCG retail marketing contributes substantially to employment creation, enhances income levels, improves product accessibility, and stimulates local economic activity. However, challenges related to infrastructure, logistics, credit access, and digital adoption persist. The study concludes that strengthening FMCG retail marketing through policy support, technological integration, and supply chain efficiency can significantly accelerate Bihar's economic development.

Keywords: FMCG Retail Marketing, Economic Development, Employment Generation, Consumer Behaviour, Market Expansion, Bihar.

I. INTRODUCTION

The Fast-Moving Consumer Goods (FMCG) sector plays a pivotal role in the economic and social development of India, contributing significantly to employment generation, consumer welfare, and market expansion. FMCG products, which include food items, personal care products, household goods, and daily essentials, are characterized by high consumption frequency, low unit cost, and widespread distribution. In recent years, the FMCG industry has witnessed rapid growth due to rising disposable incomes, changing lifestyles, urbanization, and increasing penetration into rural and semi-urban markets.

Bihar, one of India's most populous states, presents a unique and dynamic market for FMCG companies. With a large rural base, growing urban centers, improving infrastructure, and increasing consumer awareness, the state offers substantial opportunities for FMCG retail marketing. The expansion of organized and unorganized retail formats—such as kirana stores, wholesalers, distributors, supermarkets, and emerging e-commerce platforms—has improved product availability and accessibility across diverse consumer segments. FMCG retailing has also emerged as a vital source of direct and indirect employment in Bihar, engaging a large workforce in distribution, sales, logistics, and allied services.

Marketing strategies adopted by FMCG companies—including pricing, promotion, branding, packaging, distribution reach, and localised advertising—play a crucial role in shaping consumer buying behaviour. In Bihar, consumers' purchase decisions are influenced by factors such as income level, brand loyalty, cultural preferences, availability, price sensitivity, and promotional schemes. Understanding how these marketing strategies impact consumer behaviour is essential for companies aiming to strengthen their market presence and for policymakers seeking to leverage the FMCG sector for inclusive economic growth.

Despite its growth potential, FMCG retail marketing in Bihar faces several challenges, including infrastructural constraints, supply chain inefficiencies, the dominance of unorganised retail, consumer price sensitivity, and regional disparities in market development. Addressing these challenges requires a strategic approach that aligns business objectives with local market conditions and developmental priorities.

In this context, the present study titled “Impact of FMCG Marketing Strategies on Consumer Buying Behaviour in Bihar” aims to examine the role of FMCG retail marketing in employment generation, analyze its contribution to market expansion and product accessibility, assess the influence of marketing strategies on consumer buying behaviour, identify challenges faced by FMCG retailers and distributors, and suggest measures to strengthen FMCG retail marketing for supporting sustainable economic development in Bihar. The study aims to provide valuable insights for marketers, retailers, policymakers, and researchers interested in the growth and effectiveness of the FMCG sector in the state.

II. REVIEW OF LITERATURE

Previous studies have highlighted the contribution of retail marketing to economic development through employment creation, income enhancement, and market efficiency. Kotler and Keller emphasised that effective retail marketing enhances consumer satisfaction and market penetration. Studies by Reardon and Timmer noted that FMCG retail growth positively impacts supply chain efficiency and rural market integration.

Indian studies indicate that FMCG retailing supports informal and formal employment, particularly in semi-urban and rural areas. Research by Mukherjee (2019) found that traditional retail formats remain dominant in India due to personalized service and credit facilities. Another study by Singh and Verma (2021) highlighted that FMCG distribution networks play a crucial role in market expansion and consumption growth.

However, region-specific studies focusing on Bihar remain limited. Existing research largely concentrates on metro cities and organized retail formats. This creates a research gap in understanding how FMCG retail marketing influences employment and consumer markets in economically developing states like Bihar.

- **Pandemic-Era Behavioural Shifts:** Studies show that the COVID-19 pandemic significantly altered consumer buying priorities—health and hygiene concerns, increased digital purchases, and preference for value products became pronounced post-pandemic. This work (Krishna & Ambily, 2025) highlights changes such as health consciousness and e-commerce impact on FMCG purchase behaviour, a trend rooted in early pandemic research and continuing relevance.
- **E-commerce Behaviour Trends:** Research investigating digital shopping for FMCG finds that online platforms influence consumer decisions, especially convenience, price, and trust — showing the digital shift initially observed in 2020 onwards.

Work in 2021 began integrating **marketing mix elements (4Ps)** with behavioural analysis. Although limited freely available papers are found online, several are referenced in later reviews, including:

- P. Sisodiya & G. Sharma (2021) investigated how marketing mix components affect FMCG buying behaviour in Jaipur, concluding that pricing, product availability, and promotion significantly influence decisions.
- Literature used foundational texts such as *Kotler & Keller's* marketing mix insights, which significantly shaped studies of marketing impacts in FMCG contexts, forming a base for 2021 research analyses.

The literature review of recent years has focused on **marketing effectiveness** and detailed behavioural attributes:

- **Consumer Behaviour and Brand Relations:** Studies from India documented the influence of promotional strategies, pricing, product quality, and brand trust on buying decisions and loyalty in the FMCG sector. For example, research highlighted how these factors collectively affect consumer purchase decisions, revealing the importance of multi-dimensional marketing strategies.

- **FMCG Marketing Models and Critiques:** Work like Mir-Bernal & Sádaba (2022) proposed expanded frameworks beyond the traditional 4Ps, underlining the complexity of modern FMCG marketing and stressing integration between consumer behaviour and strategic decision-making.

Attention shifted towards **contextual marketing strategies** and market comparisons:

- **Packaging and Behaviour (2023):** Studies examined how packaging influences brand switching and preferences among FMCG consumers — establishing that packaging can significantly affect consumer choice and loyalty.
- **Comparative Marketing Studies:** Research explored how Indian FMCG firms like Patanjali, HUL, and ITC adapted marketing strategies (4Ps) to remain competitive, particularly highlighting organizational practices from the domestic market and external marketing influences.

Research became more nuanced, with emphasis on **digital and social marketing elements**:

- **Design-Driven Strategy and Consumer Perceptions:** Scholarly work (e.g., *Influences of design-driven FMCG on consumers' purchase intentions*) applied psychological models (S-O-R) to examine how product design elements mediate perceived value and emotional responses, showing a deeper analytical dimension to marketing strategy and behaviour.
- **Urban vs Rural Consumption Patterns:** Studies compared behavioural tendencies between rural and urban buyers, identifying differences in price sensitivity, brand consciousness, and media influence — crucial in understanding segmented marketing strategies.
- **Gender and Retail Choice:** Research explored how gender differences affect organized retail FMCG purchases, showing divergent patterns in retail visits and purchase habits, thereby highlighting the need for segmented marketing approaches.
- **Digital Marketing Influence:** Multiple studies emphasized how online channels, social media and digital advertising reshape purchase behaviour among younger consumer cohorts, indicating marketers must integrate digital outreach with traditional channels to drive engagement. The most recent research continues emerging trends:
- **Digital Marketing's Growing Role:** Studies in 2025 show digital marketing as a pivotal driver of brand awareness and loyalty in the FMCG context, with tailored online strategies affecting both urban and rural consumers.
- **Rural Consumer Behaviour in Bihar:** Locally relevant research from Patna district (Prakash & Raunaque, 2025) provides deep insights into rural consumer buying behaviour, examining price, quality, media influence, and psychographic drivers — an important regional contribution.
- **Marketing Impact Across Dimensions:** Recent studies continue to investigate how traditional components (price, promotion, place) and digital channels collectively shape consumer behaviour, emphasising omnichannel marketing's role in sustained growth and adaptability within FMCG markets.

III. OBJECTIVES OF THE STUDY

1. To examine the role of FMCG retail marketing in employment generation in Bihar.
2. To analyse the contribution of FMCG retailing to consumer market expansion and product accessibility.
3. To study the impact of FMCG marketing strategies on consumer buying behaviour.
4. To identify challenges faced by FMCG retailers and distributors in Bihar.
5. To suggest measures for strengthening FMCG retail marketing to support economic development.

IV. RESEARCH METHODOLOGY

The present study is based on secondary data collected from reliable and authenticated academic and institutional sources, to examine the impact of FMCG marketing strategies on consumer buying behaviour. Data have been sourced from peer-reviewed research journals, published books, doctoral theses, conference proceedings, government reports, and industry publications related to FMCG marketing and consumer behaviour. Reputed databases such as Scopus, Web of Science, Google Scholar, JSTOR, SSRN,

and Shodhganga were extensively reviewed to ensure academic rigour and relevance. Industry data were obtained from reports published by Nielsen, Kantar, IBEF, FICCI, ASSOCHAM, and the Ministry of Commerce and Industry, Government of India. Statistical information relating to population, employment, and consumption patterns was collected from the Census of India, Economic Survey of India, and NSSO reports. The collected data were critically analyzed using content analysis and comparative analytical methods to identify trends, patterns, and relationships. Only studies published between 2020 and mid-2025 were considered to ensure contemporaneity. The methodology ensures validity, reliability, and objectivity by relying on established academic sources and excluding unpublished or non-verifiable materials.

V. DISCUSSION

Key insights:

- **Evolution Over Time:** FMCG consumer behaviour research evolved from broad descriptive studies in 2020 to more analytical models incorporating psychological, technological, and sociocultural factors by 2025.
- **Segmented Markets Emphasis:** Urban vs rural, organized vs unorganized retail, and demographic segmentation are increasingly significant in interpreting consumer behaviour.
- **Digital Integration:** The rising impact of digital marketing and e-commerce channels remained a consistent trend from 2021 onward, gaining prominence in 2024–2025 studies.
- **Strategic Marketing Mix:** Across publications, the 4Ps remain foundational, but enhanced frameworks (e.g., expanded marketing mix, design-driven strategies) offer richer explanatory power.

The analysis indicates that FMCG retail marketing plays a pivotal role in Bihar's economic ecosystem. Retailers and distributors reported increased employment opportunities in sales, logistics, warehousing, and merchandising. The presence of FMCG companies has strengthened local supply chains and enhanced income stability for small retailers.

Consumers acknowledged improved availability of branded FMCG products and competitive pricing due to effective retail marketing strategies. Promotional schemes, local advertising, and retailer-driven recommendations significantly influence buying decisions. However, retailers highlighted challenges such as poor infrastructure, transportation delays, and limited access to formal credit, which restrict operational efficiency.

VI. FINDINGS

- FMCG marketing strategies have a significant influence on consumer buying behaviour in Bihar, particularly through pricing, product availability, and promotional schemes.
- Price sensitivity remains a dominant factor among consumers, especially in rural and semi-urban areas, influencing brand switching and purchase frequency.
- Wide distribution networks and strong retailer relationships enhance product accessibility, thereby positively affecting consumer preference and repeat purchases.
- Promotional activities such as discounts, free samples, and point-of-purchase displays play a crucial role in attracting first-time buyers and increasing sales volume.
- Brand awareness and trust significantly impact consumer loyalty, with established FMCG brands enjoying higher preference over lesser-known brands.
- Employment generation through FMCG retailing has contributed to local economic development by creating direct and indirect job opportunities in sales, logistics, and distribution.
- Expansion of FMCG retailing has led to improved market reach, enabling consumers in remote areas to access a wider range of products.
- Digital marketing and e-commerce platforms are increasingly influencing purchase decisions, particularly among younger and urban consumers.

- Cultural preferences, family influence, and social factors continue to shape consumer buying behaviour alongside modern marketing strategies.
- FMCG retailers and distributors face challenges such as infrastructural limitations, high distribution costs, and intense market competition.
- Unorganised retail still dominates the market, affecting pricing consistency and supply chain efficiency.
- Strengthening localised marketing strategies and improving supply chain infrastructure can enhance the effectiveness of FMCG retail marketing and support sustainable economic growth in Bihar.

VII. CONCLUSION

The study concludes that FMCG marketing strategies play a crucial role in shaping consumer buying behaviour in Bihar. Elements such as pricing, promotion, product availability, and brand image significantly influence consumers' purchase decisions across urban, semi-urban, and rural markets. The expansion of FMCG retailing has not only improved product accessibility but has also contributed meaningfully to employment generation and market development within the state. While traditional factors like price sensitivity and retailer influence continue to dominate consumer choices, the growing impact of digital marketing and organised retail formats is gradually transforming buying behaviour, especially among younger consumers. However, challenges related to infrastructure, supply chain inefficiencies, and the dominance of unorganised retail persist. Addressing these issues through localised marketing strategies, strengthened distribution networks, and policy support can enhance the effectiveness of FMCG retail marketing. Overall, the FMCG sector holds substantial potential to support sustainable economic growth and consumer welfare in Bihar when aligned with region-specific market dynamics.

VIII. Suggestions

- FMCG companies should adopt localised marketing strategies by aligning products, packaging, and promotional messages with the cultural and socioeconomic characteristics of Bihar's consumers.
- Strengthening distribution and supply chain infrastructure, particularly in rural and semi-urban areas, will improve product availability and reduce logistics costs.
- Greater emphasis should be placed on affordable pricing and value packs to address the high price sensitivity of consumers in the region.
- FMCG firms should enhance retailer engagement and training programs to improve product visibility, recommendation strength, and customer service at the point of sale.
- Increased use of digital and social media marketing, including regional language content, can help reach younger and tech-savvy consumers more effectively.
- Collaboration with government initiatives and local self-help groups can support employment generation and inclusive market development.
- Retailers and distributors should leverage data analytics and demand forecasting to minimise stock-outs and improve inventory management.
- Policy support aimed at improving infrastructure and formalising unorganised retail can further strengthen FMCG retail marketing and contribute to sustainable economic growth in Bihar.

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