

Impulse Purchase Behaviour towards FMCG Products- Eying From Generation Y Lenses



Sanjay Rizal

Abstract: India is a nation loaded with youth, presently relies upon the youth in all the crucial areas and its development. Youth is known for its vitality, intensity, boldness, the ability to go out on a limb in all circles of life, and if we want to change the present environment scenario to make the future much better place to live then the use of FMCG product is very essential as they fulfill our needs as well as the need of the environment. Many researchers have shown the purchase of the FMCG product as a planned purchase, but contrary to those, this paper will attempt to find out the impact of an impulse purchase on FMCG products. The paper will also try to showcase the presence of impulse purchases in the FMCG product category through a Model by using AMOS 23. The researcher will collect data from 150 respondents from Golaghat and Jorhat district through a structured questionnaire that will further be broken down and analyzed through SPSS 20. This paper will assist the readers in understanding presence of impulse purchase towards FMCG products and also shows the mentality of the people of the Golaghat and Jorhat district of Assam, India, concerning FMCG impulse Purchase and will give a glimpse of their demeanor towards FMCG products.

Keywords: Youth, Awareness, Entrepreneurship, Perception.

I. INTRODUCTION

Ecologically Preferable Purchasing (EPP) or FMCG Purchasing alludes to the acquisition of products and services that have a lesser or decreased impact on human wellbeing and nature when compared with contending items that fills a similar need. This comparison may think about crude materials obtaining, creation, fabricating, bundling, appropriation, reuse, activity of the products and services. Previously, numerous people thought of Purchasing as a business work with just main concern money related contemplations. In any case, for the past twenty plus years buying experts have attempted to interface obtaining with environmental science and the executives (just as other scholastic discipline) by looking into (and applying) the effects that acquiring has on social, financial and ecological procedures and frameworks.

Subsequently, national and worldwide analysts have had the option to examine all parts of worldwide commercial marketplace behaviour by going into the field to research about the complete life cycle of product and services (from raw material extraction, to bundling, shipping, transportation, use/application, transfer and reuse). By comprehension and researching about buying in this way, purchasing experts want to exhibit and apply the advantages of incorporating social, moral and ecological pointers and criteria upstream (where buying choices are made), which have numerous downstream effects (counting better approach and innovative improvements just as distinguishing contamination and waste anticipation openings and disclosures). Research around there has reliably demonstrated that expert buyers who consider earth ideal criteria in the purchase procedure have the ability to decrease or even dispense with waste and ecological effects just as lessen costs. Indeed, worldwide experience and models show how naturally best criteria right off the bat in the acquirement procedure improve the organisations' environmental performance, while tending to ethics, social recovery and financial concerns. Notwithstanding improved ecological execution, many 'FMCG' items function too or superior to conventional products and can even save money. Changing to more secure cleaning products, for instance, can diminish occurrences of unfavourably susceptible responses, asthma, burns, eye harm, significant organ harm, and cancer associated with the dangerous synthetic concoctions utilized in numerous traditional cleaning products. Purchasing 100 percent recycle content paper can diminish energy use by 44 percent, decline ozone harming substance emanations by 37 percent, cut strong waste discharges down the middle, decline water use by 50 percent, and for all intents and purposes dispense with wood use. Essentially, energy effective vehicles and sustainable power source cut ozone harming substance emanations and destructive air pollutants while decreasing our reliance on imported oil. By and large, the execution and mix of FMCG acquiring ideas establishes a framework wide procedure change that on the whole adds to an association's decrease in environmental impression (aggregate related proprietorship to worldwide biological harm originating from an interest for characteristic asset to continue monetary and social parity). FMCG acquiring can enable an association to balance money related and natural hazard, as opposed to acquiring it from their suppliers. On the other hand, organisations might need to include their suppliers at the structure arrange or build up a system to pre-qualify providers that have capable environmental management. Evaluations and benchmarking can help an association with the procedure.

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Sanjay Rizal*, Assistant Professor Don Bosco College, Golaghat, Assam. Present Address: Don Bosco College, Dhodhar Ali Road, Golaghat, Assam india.

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FMCG purchasing can bring significant advantages for its experts: hazard the board, eco-productivity, more grounded supplier connections, and upgrades in environmental performance, similarly as a beginning. The proposed structural model of the paper has been given below in figure 1:

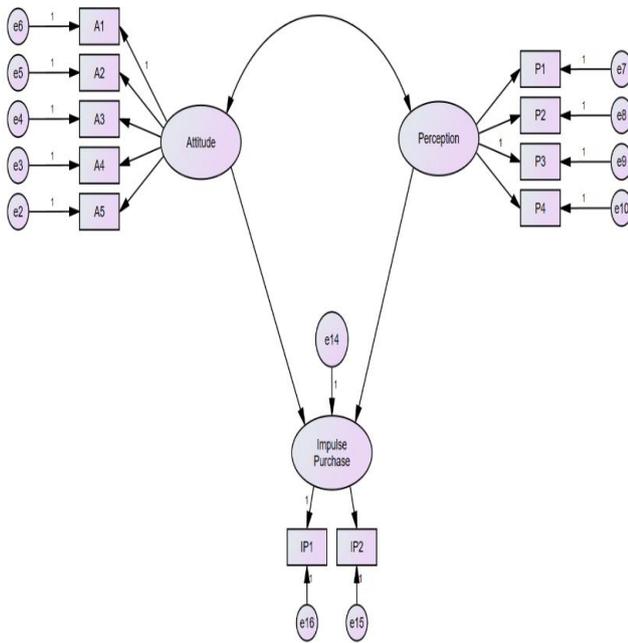


Figure 1: Proposed Structural Equation Model

II. REVIEW OF LITERATURE

Review of literature is a vital parameter of any research. Without scanning the existing literature, a research is standstill. Review of literature gives a researcher depth insight about existing works as well as the gap that may remain in the existing literature and accordingly a researcher can get further scope to carry out a research and to explore the untapped area.

Rahman, Z. & Joshi, Y. (2015), conducted their study on “Factors affecting FMCG Purchase Behaviour and Future Research Directions”. The study was conducted by reviewing the existing literature in regard to the present study. The paper gave emphasis on examining the existing empirical research and identifying various factors affecting FMCG purchase intention and behaviour. The study concluded that there are numerous prevalent motives, facilitators and barriers which affect purchase decision making towards FMCG products. Furthermore, the study also provides possible explanations for inconsistencies reported in FMCG purchase behaviour.

Shamsi, M.S. & Siddiqui, Z.S. (2017), carried out an analytical study on “FMCG Product and Consumer Behaviour” in Aligarh and Bareilly districts of Uttar Pradesh. The study aimed to investigate the relationship of FMCG product usage and purchase intention with demographic variable and it revealed an important insight concerning the factors that are majorly responsible for motivating as well as demotivating consumer behaviour towards FMCG products. Environmental sustainability and personal consciousness of consumers are found to be motivating factors while unavailability and unawareness are

deemed demotivating factors along with the cost of installation / usage. Consumers are intended to purchase FMCG products irrespective of their demographics. However educational qualification is found to be the only demographic variable having a relationship with FMCG product usage.

Mahapatra, S. (2013), conducted an empirical study on “A study on consumers’ perception for FMCG Products: An Empirical study from India”. The study empirically investigated the attitude of Indian Consumers to understand the factors that influences environment conscious behaviour for FMCG products. The findings of the study showed that personal benefit, price, convenience of use, performance, availability, concern for environment and health concern are the most significant factors that influences consumers’ perception and willingness to pay for FMCG products.

Sahurkar, A. & Raut, Y. (2015), carried on “A study on Purchase of FMCG Products in Pune” with an intention to find out whether the age and gender of person has an influence on consumer behaviour and the analysis of the study showed that there was relationship between age and purchase of FMCG Products. However there was no relationship found out between gender and purchase of FMCG Products.

Bhatia, M. & Jain, A. (2013), carried out a study on “FMCG Marketing: A study of Consumer Perception and Preferences in India”. The study tried to highlight the consumers’ perception and preferences towards FMCG marketing practices & products. The study revealed that there was high level of awareness about FMCG marketing practices and products among the chosen consumers.

Morel, M. & Kwakye, F. (2012), conducted their study on “FMCG Marketing: Consumers’ Attitudes towards Eco-friendly Products and Purchase Intention in the Fast Moving Consumable Goods sector”. The main objective of the paper was to look into and explore the impact of traditional marketing-mix elements on attitudes and purchasing intentions of consumers on eco-friendly products specifically FMCG or non durable ones. The findings of the study indicated that consumers who already bought eco-friendly products and those who are satisfied by these previous purchases were willing to repeat purchases. Furthermore, the study also revealed that positive attitude towards FMCG products do not always lead to action i.e. purchase of FMCG products.

Rajasekaran, R.M. & Gnanapandithan, N. (2013), carried on “A study on FMCG Product and Innovation for Sustainable Development” in Coimbatore city of Tamil Nadu state. The objective of the study was to realize the requirement of innovative FMCG products for today’s global market and also try to identify the negative impact of non-FMCG products. The study revealed that the so-called FMCG products or organic products has more positive impact to the mankind’s and helps to eradicate certain issues pertaining to FMCG technology

Kumari, M. (2018), conducted “An Empirical Study of Consumers’ Perception towards FMCG Products” in the districts of Bhiwani and Charkhi Dadri in Haryana.

The study endeavoured to assess consumers' perception towards buying of FMCG products. The results showed that all most all the respondents perceive that going FMCG is beneficial and also agree that the FMCG products have a future in India. The people are ready to pay higher prices for FMCG products and they are also ready to switch over to the FMCG products.

III. RATIONALE OF THE STUDY

The idea of impulse purchase is exceptionally obscure in itself when it comes to FMCG purchase and from the available review of literature it has been discovered that there is very few researches where impulse purchase has been connected to FMCG products. So it implies that majority of the impulse purchase has been done in normal products and not specifically in FMCG products. There are certain purchases where as per the situation the buyer settles on the choice of a product which is cheaper and cost to environment instead of FMCG products. Understanding the Impulse buying behaviour towards FMCG products is expected to assist in better understanding that how customers behave in a situation where options are available along with FMCG products and what are the factors which influence their decision making in that contingent situation. Impulse purchase towards FMCG product will expected to assist us with defining the impulse purchase in a more exact manner and getting learning about the correlation between impulse purchase and FMCG product and will dependably be useful for the marketer to capture the market with FMCG products in a more systematic way.

IV. OBJECTIVES OF THE STUDY

The primary objective of the study is to analyse the Impulse purchase behaviour of generation Y towards FMCG products. To understand the perception of generation Y towards FMCG products.

- I. To understand the attitude of generation Y towards Impulse FMCG purchase.
- II. To understand the perception of generation Y towards Impulse FMCG purchase.
- III. To understand the Impulse purchase Behaviour of generation Y towards FMCG purchase.

Hypothesis:

- (a) H₀₁- Both Attitude and Perception of Generation Y towards FMCG Impulse Purchase is Positively related to each other.
- (b) H₀₂- Attitude of Generation Y is positively leads to FMCG Impulse Purchase.
- (c) H₀₃- Perception of Generation Y is positively related to FMCG Impulse Purchase.

V. RESEARCH METHODOLOGY

The study was led with regards to the Attitude, perception and purchase behaviour of youth towards impulse purchase. To control the severe variation in the response of the respondents, they have been told that facing the current situation, and they have to respond to the question. There is no place for could have and should have while responding to the questions. The respondents chosen for the study were under the age of 25 -29 years and this approach ensured the

control of situational factors, which may give the unwanted response.

The data were collected through a cross-sectional survey conducted in shopping Malls of Golaghat and Jorhat town. The cross-sectional survey method was commonly used in many social science types of research earlier and proved useful earlier also (Alexandrov, Lilly, & Babakus, 2013; Dodd, Laverie, Wilcox, & Duhan, 2005; Goldsmith, Flynn, & Clark, 2012). The convenient sampling method was employed to choose the respondents and to solicit the responses. Face to face paper-based survey was conducted in selected six Malls colleges of Golaghat Town. The questionnaire method was used, and that includes a declaration that the collected information will be used for only academic purposes. The respondents were given full liberty if they do not want to disclose any personal information. In total, 150 responses were obtained which consist of 89 male respondents, which is approximately 59.3% of the total population and 61 female respondents, which is 40.7% of the total population. Likert scales are used to measure the Attitude, Perception and Purchase Behaviour of generation Y towards impulse FMCG purchase. For the analysis part, five-point Likert Scale (strongly agree =1, Agree =2, Neutral =3, Disagree =4 and Strongly Disagree = 5) has been used to measure the variables which are coded in the following manner:

Variables Related to Attitude:

- (i) A1- I think purchasing FMCG product is favorable.
- (ii) A2- I think purchasing FMCG product is good idea.
- (iii) A3- I think purchasing FMCG product is safe.
- (iv) A4- I am willing to spend a little more money to buy FMCG products.
- (v) A5- I will consider switching to eco-friendly for ecological reasons.
- (vi) A6- FMCG products always attracts me towards it.

Variables Related to Perception:

- (i) P1- I am confident that I can purchase FMCG products rather than normal products when I want
- (ii) P2- I see myself as capable of purchasing FMCG products in future.
- (iii) P3- I have resources, time and willingness to purchase FMCG products.
- (iv) P4- There are likely to be plenty of opportunities for me to purchase FMCG products.

Variables Related to Impulse Purchase:

- (i) PB1- I have purchased FMCG products on impulse very often.
- (ii) PB2- choosing FMCG products over normal products is something I have done automatically.

VI. ANALYSIS AND FINDINGS

Demographic characteristics of the respondents:

The demographic characteristics of the respondents consider only the gender and other aspects were not covered for making the study more reliable and accurate. The whole statistical classification of the demographic characteristics has been shown below in table 1.

Table 1: Demographic Characteristics of the respondents

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	89	59.3	59.3	59.3
	Female	61	40.7	40.7	100
	Total	150	100	100	

The Measurement Model and its Validity/Reliability:

Exploratory factor analysis (EFA) using Principal Component Method was conducted with a varimax rotation to assess the validity of our constructs. In this test, all latent variables were allowed to correlate with each other.

Table 2: Rotated Component Matrix

	Components		
	Perception	Attitude	Impulse Purchase
P1	.852		
P4	.849		
P3	.840		
P2	.832		
A1		.791	
A3		.775	
A2		.768	
A4		.750	
A5		.715	
IP2			.891
IP1			.884

The values showed that all items loaded on their respective construct as expected. Since all factor loadings were significant, this provided support for the convergent validity of the construct. Further assessment of the measurement model was performed to examine discriminant validity and internal consistency. The correlation coefficient between the two constructs was less than 0.80 which is suggesting good discriminant validity. The reliabilities of the measurement items, along with the composite reliability of each construct were examined. The Cronbach's alpha values for reliability of Attitude variables are 0.84, Perception variables are .91 and of Impulse Purchase are .835; these are greater than the recommended 0.7, indicating that all the scales were reliable.

Results from testing the structural model:

The structural equation model presented in Figure 2 was tested using AMOS to examine path significance levels. Table 3 summarizes the estimates of the structural model and the results are presented in Figure 2.

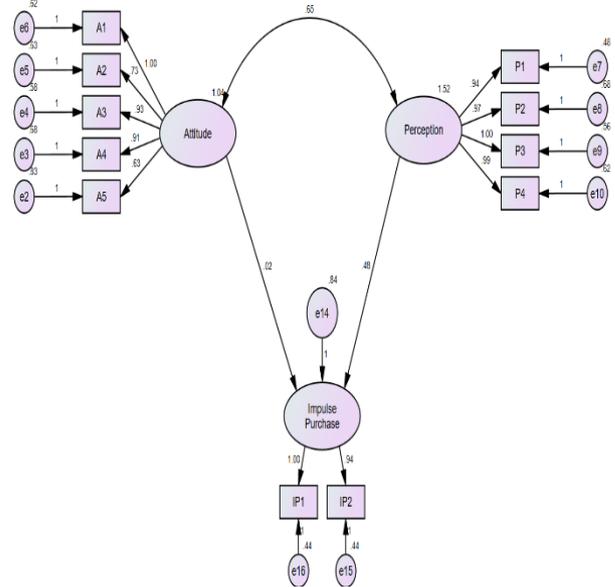


Figure 2: Estimates of Structural Equation Model

Note: The estimated structural equation model. Note: Attitude ↔ Perception ***p < 0.0001; Attitude → Impulse Purchase p > 0.05; Perception → Impulse Purchase ***p < 0.0001. All path coefficients are significant except the Attitude → Impulse purchase. Chi-square/df = 2.14, GFI = 0.972, CFI = 1, RMSEA = 0.000.

The overall measurement model provided an acceptable fit with Chi-square/degrees of freedom ratio of 2.14, which is recommended to be within the value of 2. The goodness-of-fit as measured by GFI was 0.972. The measurement model also produced a comparative fit index (CFI) value of 1, which is within the acceptable range (greater than 0.9 for a well-fitting model). In present structured model, the normed fit index (NFI) was .972, and the Non-Normed Fit Index (NNFI) was 1. In general, a value between 0.90 and 0.95 is acceptable, and above 0.95 is good. The value of RMSEA was 0.000, which is less than 0.08 suggesting good model fit. Overall, all the relevant statistics suggested an acceptable model fit consistent with normal guidelines, providing support for satisfactory match between the data and the proposed measurement model.

Result of Hypothesis testing:

Hypotheses 1 and 3 were supported whereas Hypothesis 2 was rejected. Hypothesis 1 proposed that the both attitude and perception of Generation Y towards FMCG impulse purchase is positively related to each other. The present study provided strong empirical support for this as the standardized path coefficient was 0.65 and p < 0.0001. Therefore, we can conclude that both attitude and perception of Generation Y is positively related to each other. Hypothesis 2 proposed that the attitude of Generation Y is positively leads to FMCG impulse purchase.

The path coefficient of 0.02 rejected and denied this relationship at 0.828 significance level.

This indicated that the attitude of generation Y is not so positive to lead towards impulse purchase. Hypothesis 3 states that perception of Generation Y is positively related to FMCG impulse purchase.

The path coefficient is 0.48 and the p value suggested that the hypothesized relationship was significant at the 0.0001 level. The results allowed the readers to conclude that the perception of Generation Y is positively related to FMCG impulse purchase.

Table 3: Hypothesis testing Results

Hypothesis Number	Model Path	Standard Path Coefficient	Critical Ratio	P. Value	Hypothesis Status
H1	Attitude ↔ Perception	.65	6.103	<0.0001	Accepted
H2	Attitude → Impulse Purchase	.02	.218	.828	Rejected
H3	Perception → Impulse Purchase	.48	6.325	<0.0001	Accepted

IV. CONCLUSION

The primary purpose of the study has been to analyse the Attitude, perception and purchase behaviour of generation Y in Golaghat and Jorhat District of Assam. The present research reveals that the attitude of the youth towards FMCG product is not the way it should be. This paper developed a theoretical model which explains the relationships between the various constructs in the impulse purchase. The model showed clear relationships between the perception and impulse purchase whereas attitude is somewhere not related to impulse purchase. The paper concludes that there is relationship between attitude and perception and perception is positively related to impulse purchase.

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AUTHORS PROFILE:



Sanjay Rizal, is an assistant Professor in Management in the Department of Commerce, Don Bosco College, Golaghat, Assam. He has a master's degree in Commerce and has completed M.Phil from Dibrugarh University, Dibrugarh. His area of interest is in Human Resource Management and Marketing Management along with Business Management. He has written original research articles in various international journals and he is interested in academics and research.

