CONSUMERS E-COMMMERCE SHOPPING OF FMCG

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Abstract

The rapid growth of e-commerce has transformed the Fast-Moving Consumer Goods (FMCG) sector, providing consumers with increased convenience, product variety, and competitive pricing. This research explores the evolving consumer behavior in FMCG e-commerce, examining the factors influencing purchasing decisions, such as price sensitivity, brand loyalty, and digital engagement. The study employs a combination of primary and secondary research, including surveys and market analysis, to assess consumer preferences and the challenges they face in online FMCG shopping. Findings indicate a significant shift in consumer habits toward digital shopping due to accessibility, personalized marketing, and enhanced logistics services. However, issues like trust, product quality concerns, and return policies remain key challenges for online shoppers. The study concludes that businesses must adapt to changing consumer expectations by integrating seamless digital experiences, reliable customer service, and competitive pricing strategies. The implications of this research highlight the need for businesses to leverage data analytics, personalized recommendations, and improved supply chain efficiency to enhance the online FMCG shopping experience.

Keywords: E-commerce, FMCG, Consumer Behavior, Online Shopping, Convenience goods, Shopping goods, Market Trends, Consumer Preferences

Introduction

Background

The digital revolution has fundamentally altered consumer purchasing behavior, with e-commerce emerging as a dominant force in the retail sector. Among the various segments affected, the Fast-Moving Consumer Goods (FMCG) sector has experienced a profound transformation. Traditionally, FMCG products—such as groceries, personal care items, and household essentials—were primarily purchased from brick-and-mortar stores due to their frequent use and necessity in daily life. However, the advent of e-commerce platforms has redefined convenience, enabling consumers to shop for these everyday products with just a few clicks.

E-commerce in the FMCG sector has expanded rapidly due to several factors, including rising internet penetration, increased smartphone usage, and the growth of digital payment systems. Global players like Amazon and Walmart, along with domestic platforms such as Flipkart, BigBasket, and JioMart, have revolutionized the way consumers interact with FMCG products. The COVID-19 pandemic further accelerated this trend, as lockdowns and safety concerns drove more consumers toward online shopping, leading to a permanent shift in purchasing habits. Today, consumers expect seamless digital experiences, personalized product recommendations, and fast, reliable deliveries—forcing brands and retailers to continuously innovate.

Problem Statement

Online shopping has transformed FMCG purchases, offering convenience and variety. However, consumers still face challenges like product authenticity, return hassles, delivery delays, and price fluctuations, which impact trust. While some embrace e-commerce for its ease, others prefer traditional stores where they can inspect products firsthand. This study explores what drives or discourages consumers from shopping for FMCG products online. Are they influenced more by discounts and convenience, or do trust and product availability matter more? How do age, income, and location shape online shopping habits? By analyzing these factors, this research aims to provide insights that help businesses enhance customer experiences, improve trust, and refine their digital strategies.

Objectives of the Study

- To identify key factors influencing consumer decisions when shopping for FMCG online.
- To study the impact of demographic variables (age, income, etc.) on online shopping preferences for FMCG.
- To analyse the purchasing patterns of convenience goods and shopping goods among online consumers

Hypothesis

- 1. There is no significant consumer preference between convenience goods and shopping goods in e-commerce.
- 2. Demographic factors (age, income) do not significantly impact FMCG online shopping behaviors.

Literature review

The literature on e-commerce and consumer behavior highlights key factors influencing purchasing decisions, particularly in the Fast-Moving Consumer Goods (FMCG) sector. Several studies have examined the impact of digital marketing, trust, price sensitivity, and convenience on consumer preferences.

Consumer attitudes toward e-commerce have been studied extensively. Dr. V. Geetha (2020) identified price, brand trust, convenience, and product variety as significant determinants influencing online shopping behavior. Pham (2020) explored the importance of brand recognition, product placement, and demographic variations in e-commerce decisions in Vietnam.

Trust and security are fundamental to online shopping behavior. Mittal (2013, 2020) and Hussaina (2022) emphasized the role of security, website quality, and vendor reputation in consumer trust. Durmaz (2019) found that detailed product descriptions, customer reviews, and price promotions reduce the lack of physical interaction, enhancing online trust.

Digital marketing has played a significant role in shaping FMCG consumer behavior. Bawa (2024) and Chaudhary (2023) discussed how consumers increasingly rely on digital platforms for purchasing decisions due to convenience, competitive pricing, and promotional offers. Fornari (2018) and Pernot (2022) examined the shift toward online grocery shopping, highlighting how digital platforms complement traditional retail rather than replacing them.

Rural and urban consumer behavior differs significantly. Studies by ChandraSekhar (2022), Ali (2012), and Kumar (2015) indicated that rural consumers exhibit price sensitivity and rely on local availability, while urban consumers prioritize convenience and variety. Packaging, branding, and affordability are crucial in attracting rural

customers, whereas cashback offers and home delivery play a vital role for urban shoppers.

Brand reputation and loyalty play a critical role in purchasing decisions. Helen (2022), Dholi (2021), and Jain (2023) highlighted the importance of brand awareness, product quality, and eco-friendly attributes in consumer preferences. Creaven (2020) emphasized the role of health endorsements in enhancing brand trust and consumer loyalty.

Website quality is a crucial determinant of online shopping experience and consumer satisfaction. Mason & Milne (2015) found that usability, design, and content quality influence customer retention and engagement. Vijayalakshmi (2020) highlighted that sensory experiences and price consciousness play a vital role in FMCG e-commerce success.

Demographic and psychological factors significantly shape consumer behavior. Shukla (2014) and Basha (2016) found that age, cultural background, and social influences impact shopping habits. Younger consumers prefer organized retail and digital shopping, while traditional 'kirana' stores remain popular due to personalized service and credit options.

Despite e-commerce's rapid expansion, challenges persist. Fornari (2018) noted that offline retailers struggle to compete with digital platforms due to high logistics costs and pricing competition. Jain (2023) and Pernot (2022) suggested that online shopping does not entirely replace traditional stores but instead complements them, reshaping consumer shopping patterns.

In conclusion, the literature highlights the evolving nature of consumer behavior in the e-commerce and FMCG sectors. Trust, branding, digital marketing, and demographic influences play significant roles in shaping consumer preferences. Businesses must adopt omnichannel strategies, improve online trust mechanisms, and optimize digital marketing to cater to the evolving demands of consumers.

Research Methodology

Research Design

The research will adopt a descriptive and exploratory design, aiming to provide an in-depth analysis of consumer behavior in FMCG e-commerce. The following approaches will be employed:

Descriptive Analysis: This approach will quantify consumer behaviors, focusing on the frequency of online purchases for convenience versus shopping goods, and assessing demographic influences.

Comparative Analysis: This will compare purchasing patterns between convenience goods (e.g., snacks, toiletries) and shopping goods (e.g., beverages, cleaning products).

Cross-sectional Study: Data will be collected at a single point in time, providing a snapshot of consumer preferences and behaviors related to online shopping.

Sources of Data

Primary Data: The primary data will be collected directly from consumers through surveys, interviews, and possibly focus groups to gather firsthand insights about purchasing behavior and preferences.

Secondary Data: This will include industry reports, market analyses, and academic journals that offer context and support for the primary findings.

Data Collection Method

Surveys:

Structure: The survey will be divided into sections: demographics, purchasing behavior, preferences for convenience vs. shopping goods, decision-making factors, and satisfaction with online shopping.

Distribution: The survey will be distributed through email, social media platforms, and relevant online forums to reach a wide audience.

Interviews:

Format: Semi-structured interviews will allow in-depth exploration of consumer attitudes, experiences, and preferences regarding online shopping.

Participants: Interviewees will be selected based on their responses to the survey to ensure a diverse range of opinions.

Population

The population will consist of individuals aged 18 and older who have engaged in online shopping for FMCG products in the last six months. The target population will be segmented based on:

Age Groups (e.g., 18-24, 25-34, 35-44, etc.)

Income Levels (e.g., low, medium, high) Geographic Locations (e.g., urban vs. rural) Sampling Method

Sampling Technique: A simple random sampling method will be employed, ensuring that every individual in the population has an equal chance of being selected for the study.

Sample Size: A minimum sample size of 100 respondents will be targeted to ensure statistical significance. Adjustments will be made based on response rates.

Sampling Frame

The sampling frame will be sourced from:

E-commerce platform databases (with appropriate consent from users)

Membership lists of online shopping forums and groups

Social media groups dedicated to FMCG and online shopping This diverse sampling frame ensures a broad and representative sample.

Data Collection Instrument

Questionnaire:

Sections: The questionnaire will include questions on demographics, online shopping frequency, product preferences, decision-making factors (e.g., price, convenience, brand loyalty), and satisfaction with the online shopping experience.

Validation: The questionnaire will undergo pre-testing with a small sample group to ensure clarity and reliability.

Interview Guide:

Key Questions: The interview guide will explore experiences with specific e-commerce platforms, preferences for product categories, and suggestions for improving online shopping.

Flexibility: The guide will allow for follow-up questions to explore themes in greater depth, providing rich qualitative insights.

Data Analysis and Interpretation

- 1. Demographic Analysis
- 4. Hypothesis Testing Results
- H1 (Convenience vs. Shopping Goods): No significant difference (Chi-Square: 24.89, p = 0.412).
- H2 (Impact of Age & Income): No significant effect (ANOVA: Age p = 0.508, Income p = 0.545).

Conclusion: Consumers face issues with product touch, returns, and delayed delivery, affecting satisfaction.

Results and Findings

Demographic Insights

The study reveals that young adults, particularly thos

- Gender Distribution: 73.1% male, 26.9% female, showing male dominance in FMCG e-commerce.
- Age Group: 67.2% (18-25), 29.9% (26-30), 3% (>30). Young consumers are more active in online FMCG shopping.
- Income Group: 29.9% earn < INR10,000, 28.9% (INR30,000-INR50,000), 23.9% (INR10,000-INR30,000). Low & middle-income consumers shop more.
- 2. Consumer Shopping Preferences- Online Shopping Frequency: 37.3% always shop online, 27.4% often, 29.4% sometimes, 6% rarely.
- FMCG Product Types: 66.2% buy shopping goods, 48.3% convenience goods, 18.4% specialty goods.
- Key Purchase Factors: Price (38.3%), Brand loyalty (29.9%), Variety (27.9%), Fast delivery (4%).
- 3. Challenges in Online FMCG Shopping
- Major Concerns: 53.2% lack product touch & feel, 17.9% delayed delivery, 16.4% mismatched descriptions, 12.4% return issues.
- e aged 18-25, form the majority of online FMCG shoppers. This is followed by individuals aged 26-30, signaling that younger consumers are the primary demographic for e-commerce platforms in the FMCG sector. This trend suggests that marketers should tailor their strategies to appeal to these younger age groups, while also exploring ways to attract older consumers to expand their market reach.

Regarding gender distribution, the survey shows a notable male dominance, with 73.1% of respondents identifying as male. This may indicate that online FMCG shopping is more popular among men. However, this imbalance could reflect sample biases rather than actual market behavior, as female consumers may have distinct shopping preferences and habits that are not fully captured in the study. Understanding the nuances of gender-based preferences could help in refining marketing strategies to appeal to both men and women.

Income distribution data suggests that lower- and middle-income groups are more likely to shop for FMCG products online. Nevertheless, a considerable proportion of higher-income consumers also engage in online FMCG shopping, indicating that affordability is an important factor but not the only consideration. Competitive pricing and value-for-money deals also play a crucial role in influencing purchasing decisions. As such, e-commerce platforms should cater to different income groups by offering both budget-friendly and premium product options.

Consumer Preferences and Purchasing Behavior

The study highlights that 66.2% of respondents prefer purchasing goods like clothing and electronics over convenience items such as groceries and toiletries, which had a preference rate of 48.3%. This shows that consumers are more likely to make planned, high-value purchases when shopping online compared to everyday essentials. FMCG products, while essential, are not prioritized as frequently as other product categories when shopping online.

Several factors influence online FMCG shopping behaviors, with product availability being one of the most important. Consumers are more likely to make a purchase if the product is available, indicating that keeping an updated and comprehensive stock is crucial for e-commerce platforms. Price competitiveness also plays a significant role, with shoppers increasingly looking for competitive pricing. Brand reputation, especially among familiar FMCG brands, is another factor that sways consumer decisions. Additionally, customer reviews have become an influential aspect of the purchasing process, with many consumers relying on the experiences of others before making a decision.

While convenience features such as doorstep delivery, discounts, and a wide variety of products contribute to the attractiveness of online shopping, price remains the dominant factor. The desire for convenience continues to grow, but consumers are often willing to compromise on some elements if it means a more affordable option.

Challenges in Online FMCG Shopping

Despite the benefits of e-commerce, significant challenges remain for consumers shopping for FMCG products online. The most prominent issue reported by 53.2% of respondents is the inability to physically inspect products before making a purchase. The inability to touch, feel, or examine products is a major concern, particularly when it comes to items like toiletries or groceries where product quality is a key factor.

Product quality is another major concern, with 46.8% of respondents expressing doubts about the quality of the products they purchase online. In many cases, consumers worry that products may not meet the quality standards promised by the brand or displayed on the website. Complicated return policies (22.4%) and delayed deliveries (17.9%) are additional issues that affect the shopping experience. Mismatch between product descriptions and actual items (16.4%) is also a significant issue that undermines consumer trust. These findings emphasize the importance of building transparency and trust in the e-commerce platform to enhance consumer satisfaction and loyalty.

Impact of Age and Income on Shopping Preferences

A Two-Factor ANOVA test was performed to determine if age and income had a significant impact on online FMCG shopping preferences. The results indicated that neither age nor income significantly influenced purchasing behavior (p-values > 0.05). This suggests that consumer preferences and shopping habits are relatively consistent across various age and income groups, challenging the notion that these factors significantly shape online FMCG shopping patterns. Therefore, e-commerce platforms might not need to drastically alter their strategies based on these demographic factors but should still remain mindful of potential variations in consumer preferences across different groups.

Technological Expectations and Future Trends

Consumers have high expectations regarding technological advancements in e-commerce. The most anticipated innovations include Virtual Reality (VR) for a more immersive shopping experience, with 36.3% of respondents expressing interest. Artificial Intelligence (AI), which could offer personalized product recommendations, is expected by 28.9% of consumers. Chatbots, which improve customer support, and Augmented Reality (AR), for better product visualization, are also seen as valuable tools by 20.4% and 14.4% of respondents, respectively.

In addition to these technologies, 44.3% of respondents are looking forward to more personalized shopping experiences, while 23.4% are seeking more sustainable product options. These trends reflect a growing demand for more tailored and sustainable shopping experiences, highlighting the importance for

e-commerce platforms to adopt new technologies and align their offerings with evolving consumer expectations.

Critical Analysis: Limitations and Potential Biases

Although the study provides valuable insights, there are several limitations that should be considered. Firstly, the study primarily focuses on young adults, which may not fully capture the shopping behaviors of older age groups. The differences in preferences and concerns between younger and older consumers remain an area for further exploration.

The significant gender imbalance, with 73.1% male respondents, could also skew the findings. Female consumers may have distinct preferences and behaviors, which are underrepresented in the current data. Similarly, the study's geographic limitations, focusing on specific locations, may overlook regional variations in consumer behaviors, such as the differing preferences of urban versus rural shoppers.

Additionally, while technological advancements like AI and VR are highly anticipated, the study does not account for factors such as digital literacy or access to these technologies, which may impact consumer adoption.

The study highlights the growing significance of e-commerce in the FMCG sector, particularly among younger consumers who prioritize affordability, convenience, and variety. However, challenges such as product quality concerns, return policies, and delivery reliability need to be addressed to ensure sustained growth. Future research should consider expanding the demographic scope, accounting for regional differences, and exploring the long-term impact of emerging technologies. By addressing these aspects, e-commerce platforms can develop more effective strategies for engaging consumers in the evolving FMCG landscape.

Conclusion

This research highlights the growing influence of e-commerce in the FMCG sector, illustrating how digital platforms have transformed consumer behavior. The study identifies key factors that drive online FMCG purchases, such as convenience, pricing, and product availability. Younger consumers and middle-income groups are the primary drivers of this trend. However, challenges such as trust-related issues, including concerns over product quality, complicated return policies, and delivery delays, persist.

Despite these concerns, the demand for online FMCG shopping continues to rise, fueled by increasing digital technology adoption, changing consumer lifestyles, and evolving market trends. The findings suggest that businesses should focus on building trust through transparency, product authenticity, and robust customer service. As technological advancements like AI-driven personalization and virtual shopping experiences become more prevalent, e-commerce platforms must adapt to meet the growing expectations of consumers.

The future scope of this research points to several key areas of improvement and development:

- 1. Enhancing Consumer Trust and Experience: To address trust issues, businesses should implement stringent quality control measures, clear return policies, and enhanced customer support. Emerging technologies such as virtual try-ons and AI-based recommendations can also help bridge the gap caused by the inability to physically inspect products. Future studies can explore the effectiveness of these strategies, including AI-driven personalized shopping experiences and blockchain-based product authentication.
- 2. Understanding Regional and Demographic Variations: E-commerce platforms must develop region-specific strategies, considering the diverse needs of urban and rural consumers. The focus should be on expanding logistics infrastructure in underserved areas and tailoring offerings based on local preferences. Further research could examine how factors like internet penetration, digital literacy, and financial accessibility impact e-commerce behavior in different regions.
- 3. Technological Integration in Online Shopping: AI, augmented reality (AR), and machine learning (ML) should be leveraged to improve the consumer experience. AI chatbots and AR features can provide

personalized assistance and allow consumers to visualize products before purchase. Future research could evaluate the impact of these technologies on consumer engagement, sales conversion, and brand loyalty.

- 4. Sustainable and Ethical Consumerism: With increasing environmental consciousness, FMCG brands should prioritize sustainability through eco-friendly packaging, ethical sourcing, and carbon footprint tracking. Research into consumer willingness to pay a premium for sustainable products could further inform strategies for FMCG e-commerce platforms.
- 5. Longitudinal Studies on E-Commerce Evolution: As e-commerce continues to evolve, companies must engage in continuous market research to adapt their strategies. A longitudinal study tracking consumer behavior changes could provide valuable insights into how emerging trends, such as quick commerce and social commerce, shape the FMCG sector.

In conclusion, as e-commerce continues to dominate FMCG retail, businesses must focus on enhancing trust, adopting technological advancements, and ensuring regional accessibility. Addressing consumer concerns while embracing innovation will be crucial to long-term success in the online FMCG space.

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