A Study on Brand Awareness and Brand Influence on FMCG Purchase Decisions

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Abstract

The Fast-Moving Consumer Goods (FMCG) industry is a vital component of the global economy, characterized by rapid sales and frequent purchases. Despite extensive marketing efforts, many brands face the challenge of "Low Brand Recall and Recognition," where consumers struggle to remember or identify a brand even when prompted. This study investigates brand awareness and influencing factors among 30 respondents in the Thrissur region using a mixed-methods approach. Primary data analysis reveals that 90% of respondents are aged 18–24, with Nestlé India (93.3%) and Britannia Industries (76.7%) showing the highest levels of familiarity. Quality was identified as the most significant driver, with 50% of respondents strongly agreeing that it influences their choice, followed by price (46.7% agreement). However, a significant gap remains in rural brand awareness and deeper emotional connection. To address these traditional gaps, this study proposes the integration of Artificial Intelligence (AI) and Machine Learning (ML). By leveraging AI for sentiment analysis of customer feedback and predictive modeling of purchase intent, FMCG companies can move beyond manual, time-consuming data analysis. AI-driven insights allow for automated processing of large volumes of digital data, enabling brands to identify emerging trends and implement customer-centric strategies more efficiently than traditional methods.

Keywords: FMCG, Brand Awareness, Brand Recall, Consumer Behavior, Artificial Intelligence, Machine Learning, Sentiment Analysis, Market Preference.

Chapter 1: Introduction

The Fast-Moving Consumer Goods (FMCG) industry plays a crucial role in the global and Indian economy by providing essential products used in daily life, such as food, beverages, personal care, and household items. FMCG products are characterized by frequent

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purchase, low cost, and high consumption. In India, companies such as Hindustan Unilever, ITC, Nestlé, Dabur, and Britannia dominate the market and compete intensely for consumer attention and loyalty.

With increasing competition and changing consumer lifestyles, building strong brand awareness has become essential. Brand awareness influences consumer recall, recognition, trust, and ultimately purchase decisions. Despite heavy marketing investments, many FMCG brands face challenges in maintaining strong recall and differentiation, especially among young and price-sensitive consumers.

This study focuses on understanding brand awareness, brand influence, and the key factors affecting FMCG purchase decisions, using a consumer survey-based approach.

Statement of the Problem

Despite extensive marketing efforts, many FMCG brands experience low brand recall and recognition among target consumers. This gap between marketing investment and consumer response affects purchase decisions, brand loyalty, and long-term competitiveness. The study aims to analyze the reasons for this gap and evaluate the role of brand awareness in influencing FMCG purchases.

Objectives of the Study

- To study the influence of brand awareness on FMCG purchase decisions
- To analyze the impact of demographic factors on brand preference
- To identify key factors influencing FMCG brand choice such as price, quality, and promotion
- To examine consumer preference and recommendation behavior
- To suggest strategies for improving brand awareness using digital tools and AI

Scope of the Study

The study is limited to consumers of FMCG products within a specific geographic region. It focuses on selected popular FMCG brands and uses primary data collected through questionnaires. The findings aim to help marketers improve branding and communication strategies.

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Relevance of the Study

This study provides insights into consumer behavior, supports better marketing decision-making, helps new entrants understand competitive branding, and contributes to academic research on FMCG branding and awareness.

Chapter 2: Review of Literature

Previous studies highlight the growing importance of digital and social media marketing in enhancing brand awareness. Research by Upeksha AS Yapa (2017) and Maria Johansson (2010) emphasizes the role of social media engagement in brand recall. Studies conducted in rural and semi-urban India show that while brand awareness is increasing, consumer behavior remains influenced by income, accessibility, and education. Literature also indicates that quality, price, and reputation significantly affect FMCG brand preference.

Chapter 3: Conceptual Framework

Meaning of Brand and Branding

A brand represents the identity, image, and perception of a product or company in consumers' minds. Branding is the strategic process of creating and managing this identity to build trust, recognition, and loyalty.

Brand Awareness

Brand awareness refers to consumers' ability to recognize and recall a brand. It includes brand recognition (visual or auditory identification) and brand recall (remembering a brand without cues).

Factors Influencing Brand Choice

Key influencing factors include product quality, price, advertising, availability, brand reputation, peer influence, and customer experience.

Chapter 4: Research Methodology

Research Design

The study adopts a descriptive survey-based research design.

Sampling

- Target population: FMCG consumers
- Sample size: 30 respondents

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- Sampling method: Convenience sampling

Data Collection

Primary data was collected using a structured questionnaire covering demographics, brand awareness, and purchase behavior. Secondary data was sourced from journals, articles, and reports.

Tools Used

- Google Forms for survey collection
- Excel for data analysis and charts

Role of Artificial Intelligence in the Study

Artificial Intelligence can significantly enhance FMCG brand awareness studies. AI-based survey tools can improve response quality, while machine learning algorithms can identify hidden patterns in consumer behavior. Sentiment analysis of social media data enables real-time brand perception tracking. Predictive analytics helps forecast brand switching and future preferences, making the research more accurate and actionable.

Chapter 5: Data Analysis and Interpretation

Demographic Profile

The majority of respondents (90%) fall within the 18–24 age group, with students forming the dominant category. Female respondents slightly outnumber males. Income levels vary, with most respondents belonging to the middle-income group.

Brand Familiarity

Nestlé India shows the highest brand familiarity, followed by Britannia, ITC, and Dabur. Hindustan Unilever has comparatively lower recall among respondents.

Brand Preference and Purchase Behavior

Most respondents consider brand name while purchasing FMCG products. Nestlé emerges as the most preferred brand for daily use. Price and quality are the most influential factors, while advertising and brand reputation show moderate influence.

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Recommendation Behavior

A majority of respondents are likely to recommend their preferred FMCG brand, indicating moderate brand loyalty.

Chapter 6: Findings

- Young consumers show high awareness of established FMCG brands
- Quality and price strongly influence purchase decisions
- Brand reputation and advertising have moderate impact
- Digital platforms play an important role in brand recall

Suggestions

- Increase digital and social media marketing efforts
- Use AI-driven consumer analytics for targeted campaigns
- Improve packaging and in-store promotions
- Collect continuous consumer feedback through online platforms
- Use influencer marketing to improve recall among youth

Conclusion

The study concludes that brand awareness significantly influences FMCG purchase decisions, particularly among young consumers. While established brands enjoy high recognition, competition and changing preferences demand innovative, data-driven branding strategies. Integrating AI and digital tools can help FMCG companies enhance brand recall, consumer engagement, and long-term loyalty.

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