

Effective Advertising and Its Influence on Gen-Z Buying Behaviour: A Study of the FMCG Sector in Pune

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Abstract: Advertising plays a crucial role in shaping consumer perceptions and purchase decisions, particularly among Generation Z (Gen-Z), who are highly exposed to digital media and brand communication. The Fast-Moving Consumer Goods (FMCG) sector relies heavily on advertising due to intense competition and low product differentiation. This research paper aims to examine the effectiveness of advertising and its influence on the buying behaviour of Gen-Z consumers with reference to the FMCG sector in Pune city. The study focuses on identifying the types of advertising that most impact Gen-Z, such as social media ads, influencer marketing, emotional appeals, and discount-based promotions. A descriptive research design is adopted, and primary data is collected through a structured questionnaire administered to Gen-Z respondents aged 18–25 in Pune. Secondary data is sourced from journals, research papers, industry reports, and websites. The findings of the study are expected to help FMCG marketers understand Gen-Z preferences and design more effective advertising strategies to influence purchase decisions.

Keywords: Advertising, Gen-Z, FMCG, Buying Behaviour, Promotion.

I. INTRODUCTION

Advertising is one of the most powerful tools used by marketers to communicate with consumers and influence their buying behaviour. In the FMCG sector, where products are low-cost, frequently purchased, and easily substitutable, effective advertising becomes essential for brand recall and customer loyalty. Over the years, advertising has evolved from traditional media such as television and print to digital platforms including social media, mobile applications, and influencer-led content.

Generation Z, generally defined as individuals born between 1997 and 2012, represents a new and dynamic consumer segment. Gen-Z consumers are digitally native, highly informed, socially conscious, and value authenticity in brand communication. Unlike previous generations, their buying behaviour is strongly influenced by social media platforms, peer reviews, online content, and influencer recommendations. They prefer brands that align with their values, offer convenience, and engage them creatively.

Pune, being one of India's fastest-growing urban cities with a large student and young working population, provides an ideal setting to study Gen-Z buying behaviour. The city has a strong presence of FMCG brands and high exposure to digital advertising. Understanding how effective advertising influences Gen-Z purchasing decisions in the FMCG sector can help marketers develop targeted, innovative, and cost-effective promotional strategies.

This study attempts to analyze the impact of various advertising elements on Gen-Z consumers in Pune and to identify which forms of advertising are most effective in influencing their buying behaviour.



II. REVIEW OF LITERATURE

Phase 1: The Early Days of Digital Convenience (2015–2019)

Meera and Padmaja (2017) analysed the Indian FMCG sector with a market size of US\$14.8 billion is the fourth largest sector in the economy. Indian consumer goods market is expected to reach \$400 billion by 2010. Hair care, household care, male grooming, female hygiene, and the chocolates and confectionery categories are estimated to be the fastest growing segments. At present, urban India accounts for 66% of total FMCG consumption, with rural India accounting for the remaining 34%. The findings were most respondent recommended their own brand to others. Majority of the respondents are expecting the modification recording with Taste of the Brand. Most of the respondents felt decide the FMCG Product is Quality one and majority of the respondents 33 (41.25%) are Influenced the media for **Television**

Chatterjee et al. (2018) examined factors affecting consumer behaviour in fast moving consumer goods sector. Major factors included in study are Advertising Strategy (AS), Brand Influence (BI), Co-Branding (Co-B), Product Related Trends (PRT), Retail Loyalty Program Effect, Cultural Orientation (CO), Liberalization of Economy (LE), Visual Merchandising (VM), Corporate Branding (CB) and Celebrity Endorsement (CE). An insight into the ISM model indicates that Co-B (3) and LE (7) are the top-level variables. These are the ones which are being affected by lower-level variables. The second, third, and fourth level variables, viz., RLP effect (5), VM (8), CB (9) are operational level variables which are very much necessary for the successful operation and running of FMCG. AS (1), BI (2), and CE (10) and their strategy have highest drive power and lowest dependence. Hence, they appear at the bottom level of the hierarchy which implies that they play a significant role and work as the main driver in the successful implementation of FMCG.

Kulkarni and Shrivastava (2018) studied diverse food habits, tastes and preferences of Indian people due to many cultures & subcultures. The aim of this paper was to examine an impact of sales promotion (which is a subset of one of the marketing stimuli-Promotion), quality, price, and purchase intention on the loyalty of Indian Generation-Z households for edible (cooking) oil; which was based secondary and primary research with sample size of 50, in order to assess the reliability of the structured questionnaire. The study revealed that quality, price, purchase intention, and sales promotion hold a significant role in developing the customer loyalty among Generation Z for edible oils in India.

Phase 2: The Pandemic and Big Changes (2020–2022)

Ninan et al. (2020) studied purchase intention of Gen Z. A self-administered questionnaire is developed and distributed to 424 respondents who are born after 1994. Independent sample t-test and multiple linear regression model are used for statistical data analysis. The study finds social media marketing more effective than the traditional method of marketing on Gen Z indicating that social media marketing has a positive impact on their purchase intention, brand awareness, product perception, brand loyalty and customer-business interactions. It also revealed that developing the brand awareness, brand loyalty, product perception and customer-business interactions through social media marketing can ultimately influence the purchase intention of Gen Z.

Phase 3: The Age of AI and Hyper-Personalization (2023–2026)

1. Selvi and Padmashri (2023) studied the impact of consumer behaviour towards FMCG and analyzes how consumers make decisions about their wants, needs, purchases, or actions with respect to a product, service, or organization. Consumer behaviour plays a vital role in FMCG marketing used by consumers and depends on various factors. It is necessary for marketers to learn about the factors that influence consumer buying behaviour of fast-moving goods. The main objective of this paper was to find out the factors that influence the buying behaviour of consumers in the purchase of fast-moving goods. Consumer behaviour has been found to vary by price, product, Income, and physiological factors. However, the effect of these factors influencing consumer decisions would vary from product to product.



2. **Salam et al. (2024)** examined Generation Z's consumer preferences and effective marketing strategies for building sustainable relationships with them. Drawing from a multitude of qualitative studies spanning from 2010 to 2024, this study employs a systematic review approach to extract insights into Generation Z's preferences and behaviours. By synthesizing qualitative data and employing thematic analysis, the research uncovers recurring patterns, emerging trends, and socio-cultural influences shaping Generation Z's consumer behaviour. Furthermore, the study explores the shift in preferences from physical products to experiences and the added value provided by brands. The main findings include a positive relationship between the sustainable behaviour of Generation Z consumers and their satisfaction, as well as their environmental protection activities. The result showed also showed that Generation Z in the UAE has five main characteristics: digital natives, highly influenced by social influencers, risk averse, emotionally mature, and highly involved in political debates.

3. **Rosnerova et al. (2024)** examined the impact of the digital world on the purchasing behaviour of Generation Z, with a specific focus on the Slovak context. While existing literature often analyses global or non-Slovak populations, this work provides a contextually grounded analysis of how digital exposure, online marketing communications and social networks shape the purchasing preferences of Slovak Generation Z consumers. Quantitative Methods were used for survey, a questionnaire survey with a representative Slovak sample. Hypotheses are tested using appropriate statistical analyses to explore relationships between digital exposure, social network marketing communications, and Generation Z purchasing preferences. The result showed that the most influential digital channels and content types for Slovak Generation Z consumers.

4. **Deepika and Massand (2025)** analysed a model for measuring social media marketing activities (SMMA) and validated the nomological model by verifying its influence on Purchase Intention. The paper uses 24 items on a five-dimensional scale for measuring SMMA for Gen Z. The items were generated from the literature review and focus group interviews. 310 responses were collected. After data cleaning, an Exploratory Factor Analysis (EFA) was run on 290 responses using SPSS version 27. The study revealed that SMMA is a four-dimensional construct with 20 variables. Electronic- Word of Mouth (e- WOM), Interaction, Customisation, and Advertisements were the four dimensions. To further validate the nomological model, the impact of SMMA on the Purchase Intention (PI) of Gen Z was studied using multiple linear regression. The analysis confirmed the validity of the scale by describing the impact on PI for Gen Z. Customisation, Advertisements, and Interaction had a significant influence on Purchase Intention.

III. RESEARCH METHODOLOGY

3.1 Research Design

The study adopts a descriptive research design to analyze the relationship between effective advertising and Gen-Z buying behaviour in the FMCG sector.

Research Area

The research is conducted in Pune city, focusing on Gen-Z consumers.

Target Population

Gen-Z consumers aged 18–25 years who purchase FMCG products.

Sample Size

A sample of 80-100 respondents is considered appropriate for the study.

3.2 Sampling Technique

Convenience sampling method is used due to ease of access to respondents such as college students and young working professionals.

3.3 Data Collection Methods

Primary Data

Primary data is collected through a structured questionnaire, including both close ended and Likert scale questions.



3.4 Statistical tools used:

To analyze and interpret data efficiently the statistical tool which are used are:
Weighted mean method, chi sq. test to test the hypothesis.
Pie charts, for clear presentation of data.

3.5 Objectives:

To study the buying behaviour of Gen-Z consumers towards FMCG products in Pune.
To analyze the impact of advertising on Gen-Z purchase decisions in the FMCG sector.
To identify the most effective advertising media influencing Gen-Z consumers.
To examine the role of social media and influencer marketing in FMCG brand selection.

3.6 Hypothesis:

H₀ (Null Hypothesis):

Advertising has **no significant impact** on the purchase decisions of Gen-Z consumers towards FMCG products in Pune.

H₁ (Alternative Hypothesis):

Advertising has a **significant impact** on the purchase decisions of Gen-Z consumers towards FMCG products in Pune.

3.7 Limitations of the Study

The sample size is relatively small (100 respondents).
Majority of respondents are students, limiting occupational diversity.
The study is restricted to Pune city.
Responses may include personal bias or perception errors.

3.8 Scope for Future Research

Expanding the study to multiple cities or countries.
Including a larger and more diverse sample size.
Conducting comparative studies between Gen-Z and other generations.
Using advanced statistical tools (correlation, regression analysis).
Exploring the impact of AI-driven and personalized advertising.

IV. DATA INTERPRETATION AND ANALYSIS

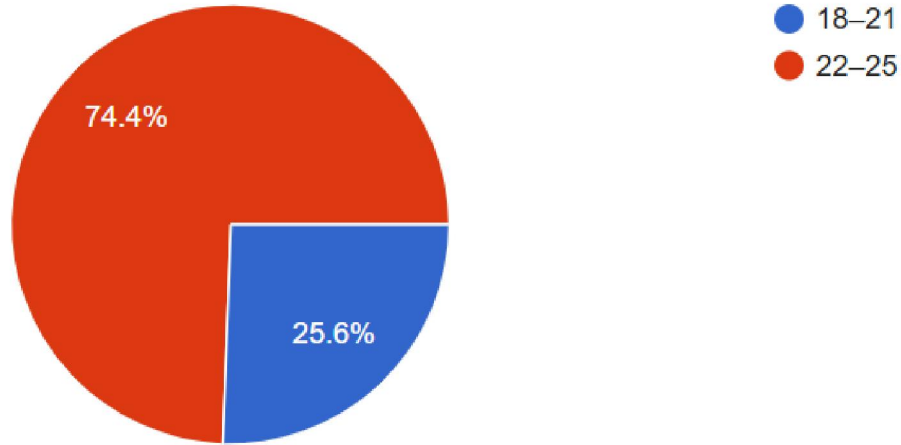
A total of **100 responses** were collected from Gen-Z respondents aged 18–25 in Pune. The analysis is based on frequency distribution and percentage interpretation.

4.1. Age Distribution

22–25 years: respondents (~74%)

18–21 years: respondents (~26%)





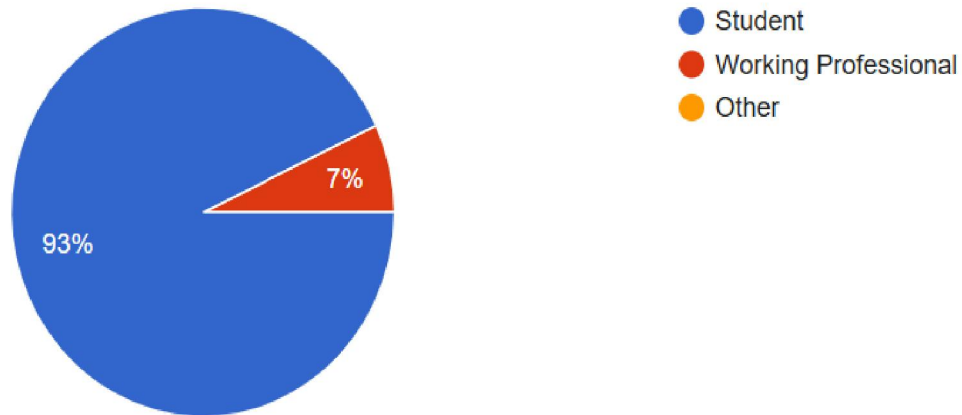
Interpretation:

The majority of respondents fall in the 22-25 age group, indicating stronger representation of older Gen-Z consumers who are more independent in purchasing decisions.

4.2. Occupation

Students: (~93%)

Working professionals: (~7%)



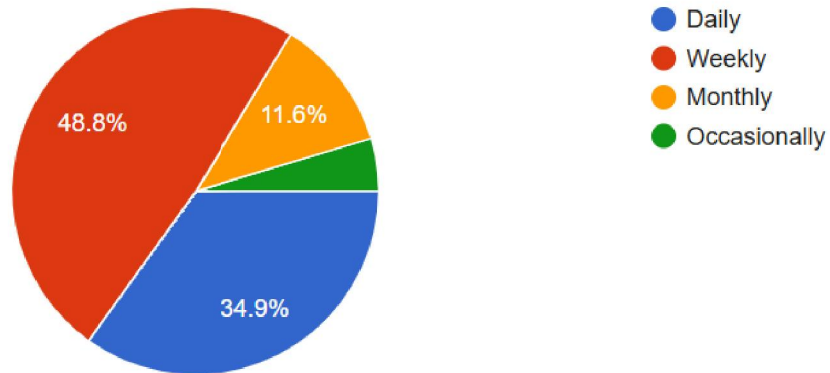
Interpretation:

The sample is heavily student-oriented, which reflects Gen-Z consumption behaviour but may slightly limit working-class perspectives.



4.3. Frequency of FMCG Purchases

Weekly: (~49%)
Daily: (~35%)
Monthly: (~12%)
Occasionally: (~4%)

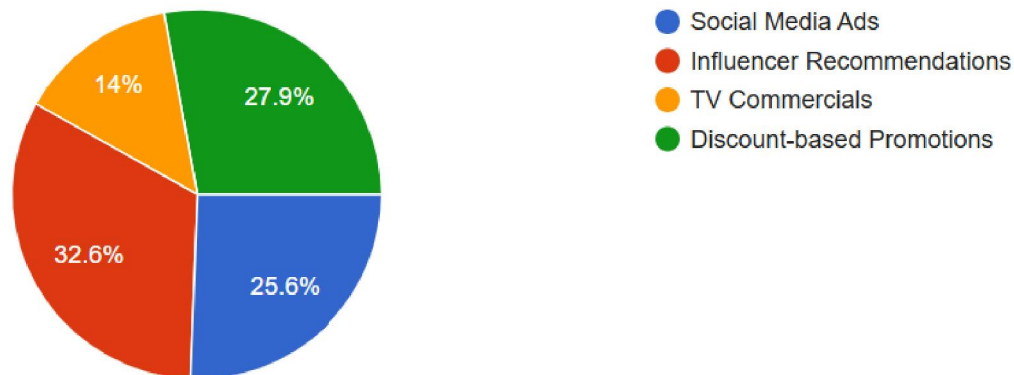


Interpretation:

Most respondents purchase FMCG products frequently (daily or weekly), highlighting the importance of continuous advertising in this sector.

4.4. Most Influential Form of Advertising

Influencer Recommendations: (~33%)
Discount-based Promotions: (~28%)
Social Media Ads: (~26%)
TV Commercials: (~14%)



Interpretation:

Influencer marketing has the highest impact, followed closely by discounts and social media ads. Traditional TV advertising has the least influence.



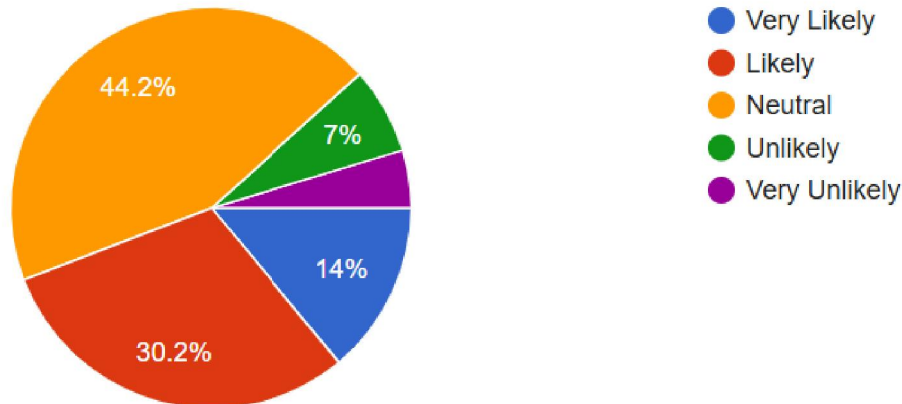
4.5. Influence of Influencers on Purchase Decision

Neutral: (~44%)

Likely: (~30%)

Very Likely: (~14%)

Unlikely/Very Unlikely: (~12%)



Interpretation:

While influencers are impactful, many respondents remain neutral, suggesting selective trust rather than blind influence.

Assigning Weights and calculation:

Responses	Weight	%	f	x	f*x
Very likely	5	14%	14	5	70
Likely	4	30%	30	4	120
Neutral	3	44%	44	3	132
Unlikely/Very Unlikely	2	12%	12	2	24
Total			100		346

Weighted mean = $346/100 = 3.46$

Mean = $(5+4+3+2)/4 = 3.5$ (approx=3)

When the weighted mean value is compared with the mean, we can see that the calculated weighted mean (3.46) is approx equal to the mean (3). It shows that social media influencers positively influence consumers' purchase decisions for FMCG products. This shows that effective advertising influences Gen Z FMCG buyers in Pune.

Therefore, we reject the hypothesis H_0 and accept H_1 , i.e., Advertising has a **significant impact** on the purchase decisions of Gen-Z consumers towards FMCG products in Pune.

Chi-sq test:

Observed (O)

	Liekly or not				
Profession	Very likely (a)	likely (b)	neutral (c)	unlikely (d)	Total
(A) student	41	28	13	11	93



(B)	working professionals	3	2	1	1	7
	Total	44	30	14	12	100

df= (r-1)(c-1)

df=3, at 5% significance level ;

TV=7.815.

	Observed (O)	Expected (E)	O-E	(O-E) ²	(O-E) ² /E
Aa	41	40.92	0.08	0.0064	0.000156
Ab	28	27.9	0.1	0.01	0.000358
Ac	13	13.02	-0.02	0.0004	3.07E-05
Ad	11	11.16	-0.16	0.0256	0.002294
Ba	3	3.08	-0.08	0.0064	0.002078
Bb	2	2.1	-0.1	0.01	0.004762
Bc	1	0.98	0.02	0.0004	0.000408
Bd	1	0.84	0.16	0.0256	0.030476

Sum(O-E)²/E = 0.040564=CV

Therefore, we can see that CV<TV i.e., 0.040564<7.815, so we reject the null hypothesis (H₀).

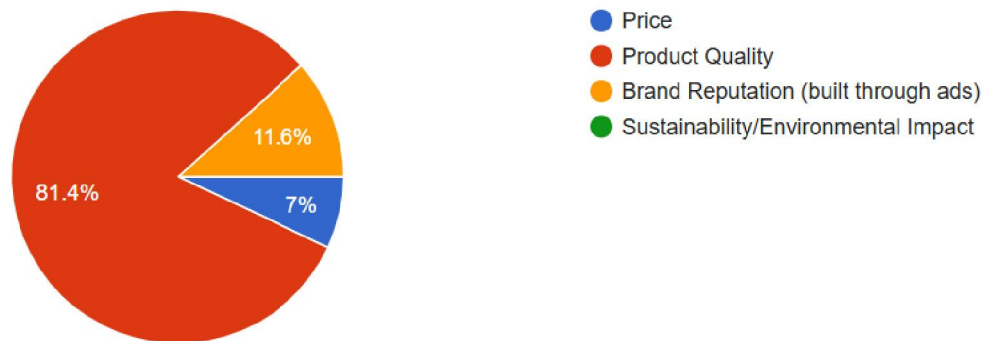
And accept the alternative hypothesis (H₁): Advertising has a **significant impact** on the purchase decisions of Gen-Z consumers towards FMCG products in Pune.

4.6. Most Important Factor in Choosing FMCG Brands

Product Quality: (~81%)

Brand Reputation: (~12%)

Price: (~7%)



Interpretation:

Despite strong advertising influence, product quality remains the most critical factor in decision-making.



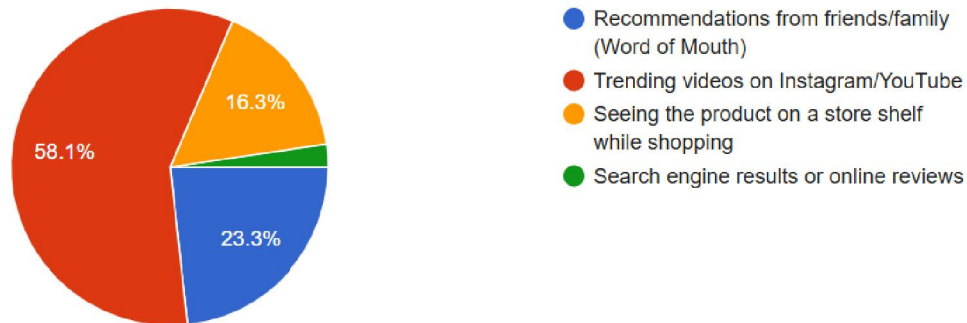
4.7. Discovery of New FMCG Brands

Instagram/YouTube trends: (~58%)

Word of Mouth: (~23%)

Store visibility: (~16%)

Search engines: (~3%)



Interpretation:

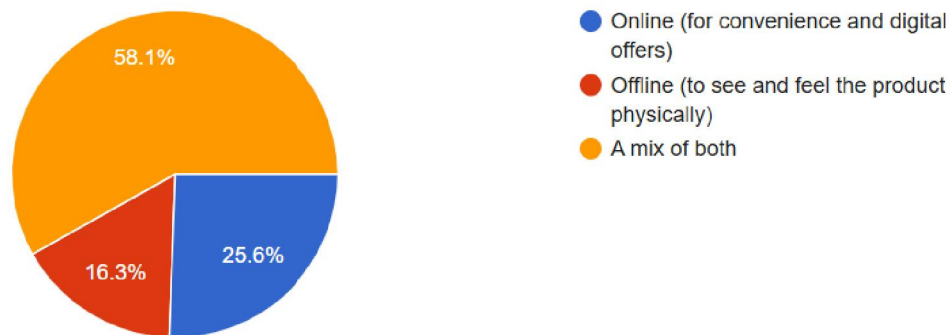
Digital platforms dominate brand discovery, especially short-form video content.

4.8. Buying Preference (Online vs Offline)

Mix of both: (~58%)

Online: (~26%)

Offline: (~16%)



Interpretation:

Gen-Z prefers an omnichannel approach, combining convenience of online with physical experience.

4.9. Most "Honest" Advertising Platform

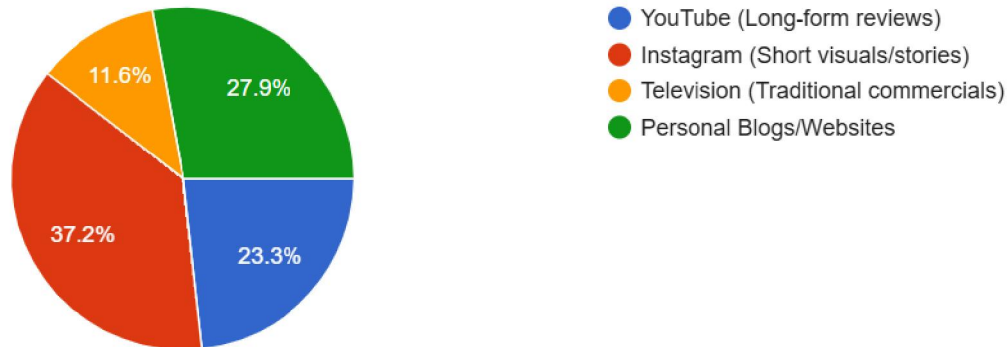
Instagram: (~37%)

Personal Blogs/Websites: (~28%)

YouTube Reviews: (~23%)

Television: (~12%)





Interpretation:

Surprisingly, Instagram is perceived as the most honest, despite sponsored content, indicating high engagement and relatability.

V. FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Findings

Gen-Z consumers purchase FMCG products frequently, making them highly exposed to advertising. Influencer marketing is the most impactful advertising form. Social media platforms are the primary source of product discovery. Product quality is still the most important factor, even more than price or branding. Gen-Z consumers prefer a mix of online and offline purchasing channels. Instagram is perceived as both influential and relatively trustworthy. Traditional advertising (TV) has significantly less impact on Gen-Z.

Hypothesis Testing

H₀ (Null Hypothesis): Advertising has no significant impact

H₁ (Alternative Hypothesis): Advertising has a significant impact

Conclusion:

Based on the analysis, advertising especially digital and influencer-based clearly influences Gen-Z purchase decisions. Therefore, **H₀ is rejected** and **H₁ is accepted**.

5.2 Suggestions and Recommendations

Focus on Influencer Marketing:

Collaborate with relatable and authentic influencers rather than celebrities.

Leverage Short form Content:

Use Instagram Reels and YouTube Shorts for maximum engagement.

Emphasize Product Quality in Ads:

Highlight real benefits instead of exaggerated claims.

Offer Discounts and Promotions:

Combine emotional appeal with price incentives.



Adopt Omnichannel Strategy:

Ensure strong presence both online and offline.

Encourage User Generated Content:

Reviews and peer recommendations increase trust.

5.3 Conclusion

This study highlights that advertising plays a crucial role in shaping the buying behaviour of Gen-Z consumers in the FMCG sector. With the rapid shift toward digital media, traditional advertising methods are losing relevance, while influencer marketing, social media ads, and digital content are gaining dominance.

However, despite the strong impact of advertising, Gen-Z consumers remain rational and prioritize product quality above all. This indicates that while advertising can attract and influence, long term success still depends on delivering value.

The findings suggest that FMCG companies must adopt a balanced approach leveraging digital platforms while maintaining product excellence to effectively target Gen-Z consumers.

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