

IMPACT OF ARTIFICIAL INTELLIGENCE (AI) ON FAST MOVING CONSUMER GOODS (FMCG) BUYING BEHAVIOUR AMONG YOUTH IN JALGAON CITY

Swati Wani

*Assistant Professor, School of Commerce & Management, KCES's M.J College (Autonomous),
Jalgaon.*

Email: sawani.mjc@kces.in

Abstract

This study examines the impact of Artificial Intelligence (AI) on Fast Moving Consumer Goods (FMCG) buying behaviour among youth in Jalgaon city. The research is based on primary data collected from 51 respondents through a structured questionnaire. It analyses how AI-based advertisements, personalized recommendations, and targeted discounts influence purchase decisions and brand preference. The findings show that most young consumers are aware of AI-driven marketing and frequently notice personalized advertisement on digital platforms. AI-based suggestions moderately to strongly influence product exploration, brand discovery, and repeat purchases. The study concludes that AI has a significant impact on FMCG buying behaviour among youth, and companies should adopt advanced AI marketing strategies to stay competitive in the digital era.

Keywords: Artificial Intelligence (AI), Fast Moving Consumer Goods (FMCG), Young Consumers, Digital Era.

► *Corresponding Author: Swati Wani*

Introduction

In recent years, Artificial Intelligence (AI) has transformed the way businesses interact with consumers. AI refers to the use of advanced technologies such as machine learning, data analytics, and automation to simulate human intelligence in decision-making and problem-solving. In the marketing field, AI plays a major role in personalized advertising, product recommendations, chat bots, targeted discounts, and predictive analysis of consumer preferences. The Fast Moving Consumer Goods (FMCG) sector includes products that are purchased frequently at relatively low cost, such as food items, beverages, personal care products, and household goods. In India, the FMCG industry has grown rapidly due to urbanization, digitalization, and increased internet penetration. Leading companies such as Hindustan Unilever Limited, ITC Limited, and Nestlé India are increasingly using AI-based tools to enhance customer engagement and improve sales performance. Youth, particularly those aged between 15 to 30 years, form a significant consumer segment in the FMCG market. This age group is highly active on digital platforms such as Instagram, YouTube, and e-commerce platforms like Amazon and Flip kart. Through these platforms, AI collects data on browsing history, search patterns, purchase behavior, and preferences to deliver personalized advertisements and product recommendations. In Jalgaon City, located in the state of Maharashtra, is experiencing rapid digital adoption among youth due to

increasing Smartphone usage and internet accessibility. As a developing urban center, Jalgaon provides an ideal setting to study how AI-driven marketing strategies influence youth buying behavior in the FMCG sector.

Research Methodology

Data Collection: The primary data has been collected by using structured questionnaire collected from 51 respondents. The secondary data has been collected by various research articles are referred and data has been collected.

Objectives of the Study

1. To evaluate the overall impact of Artificial Intelligence tools on FMCG buying behavior among youth in Jalgaon city.
2. To examine the influence of AI-based advertisements and product recommendations on the buying decisions of youth in Jalgaon city.
3. To analyze the impact of personalized AI marketing strategies on brand preference among youth consumers.

Limitations of the Study

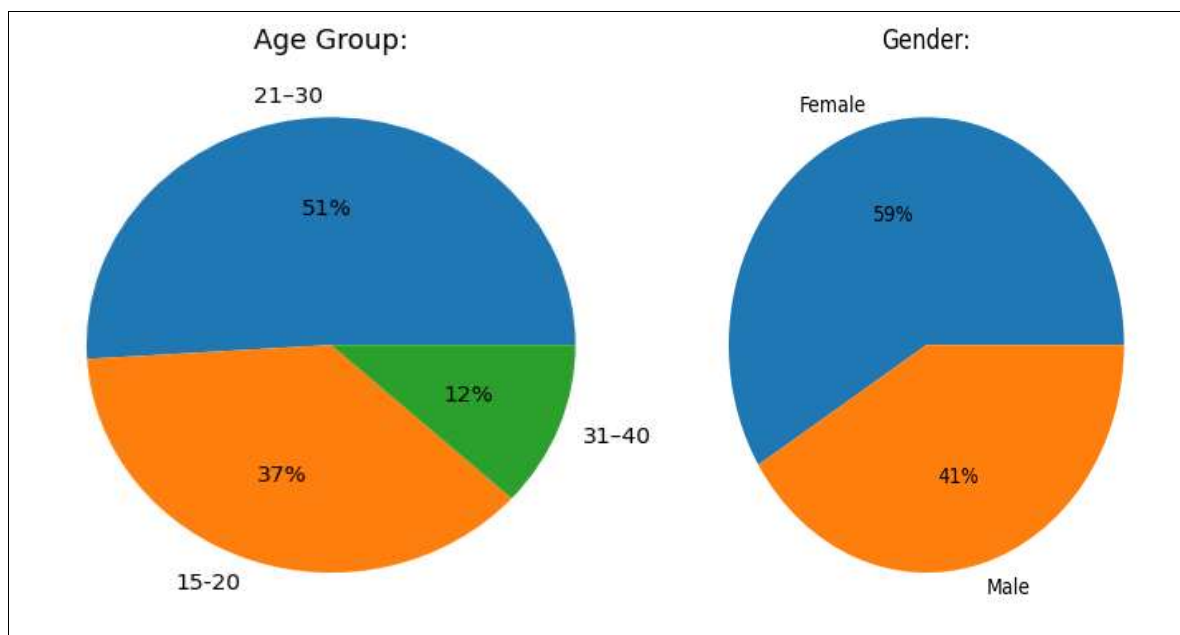
This study is conducted for the youth of Jalgaon city only.

Data Analysis and Interpretation

1. Demographic Profile

Age Group & Gender

- The pie chart shows the distribution of respondents by age and gender.
- If one age group dominates (e.g., 18–25 or 26–35), it indicates the survey mainly represents young consumers who are active online.

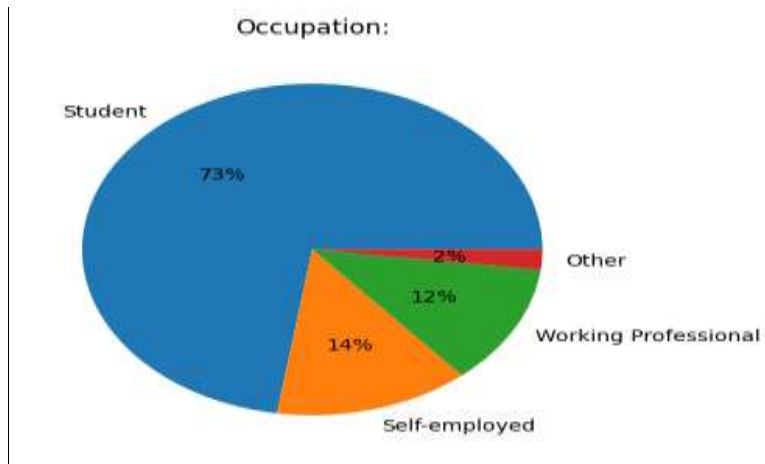


Interpretation:

Young consumers are typically more exposed to AI-based digital advertising and online shopping platforms, making them an important target group for FMCG brands.

2. Occupation:

A significant majority of respondents are Students (73%), with Self-employed (14%) and Working Professionals (12%) making up smaller portions.

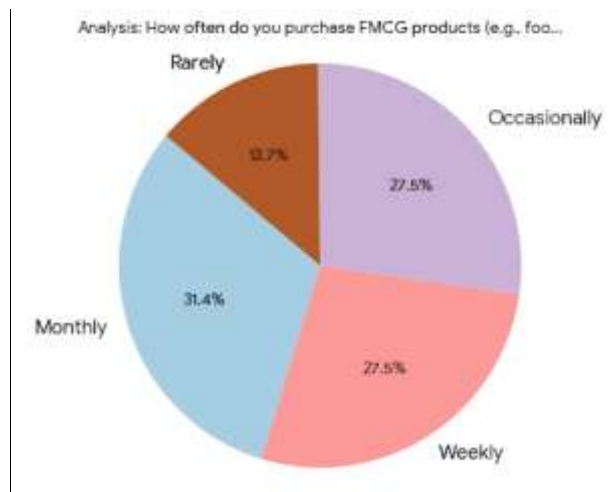


Interpretation:

The findings reflect the behaviors of a student-heavy demographic, suggesting that budget-consciousness and digital engagement might be high

3. FMCG Purchase Behavior

Purchase Frequency charts shows how often people buy FMCG products. Usually, FMCG items are bought frequently (weekly or monthly).



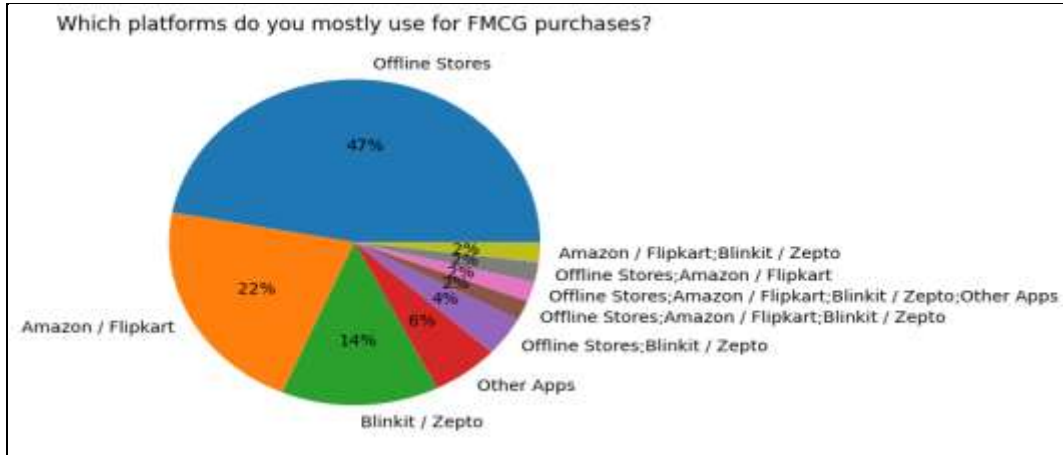
Interpretation:

Because FMCG purchases are frequent, AI-driven recommendations can strongly influence repeat buying behavior.

4. Platforms Used for FMCG Purchases

Platforms Chart Shows whether consumers prefer:

- Offline Stores
- Amazon / Flipkart
- Blinkit /Zepto
- Other Apps

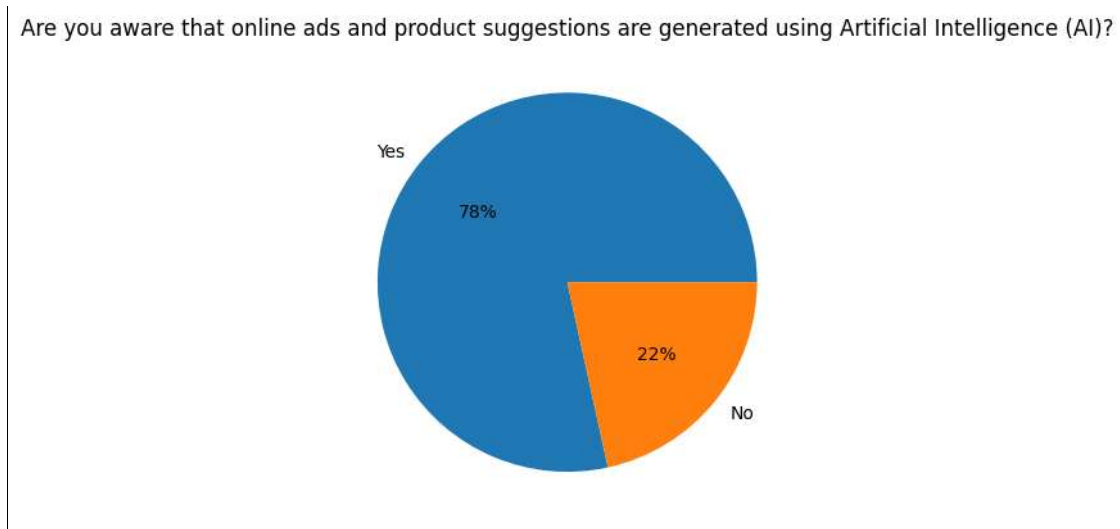


Interpretation:

If online platforms dominate, it confirms that digital marketing and AI recommendations play a key role in FMCG sales.

5. Awareness of AI Advertising

AI Awareness Chart measures whether respondents know that ads are generated using AI.

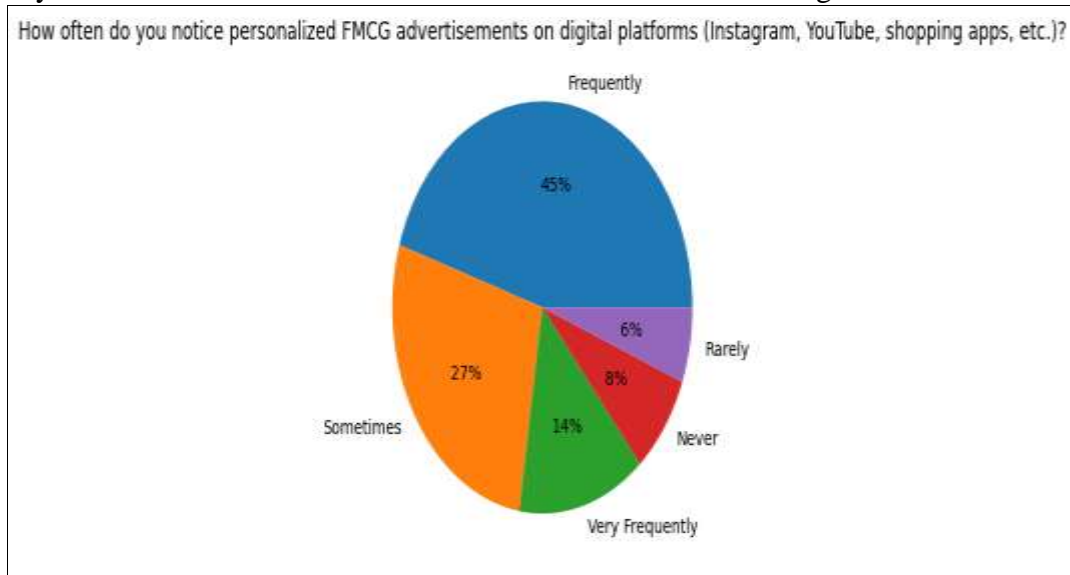


Interpretation:

If 78% respondents say Yes, it means consumers are aware of personalized advertising but still engage with it.

6. How often do you notice personalized FMCG advertisements on digital platforms (Instagram, YouTube, shopping apps, etc.)?

Frequency of Personalized Ads shows how often consumers notice targeted ads.

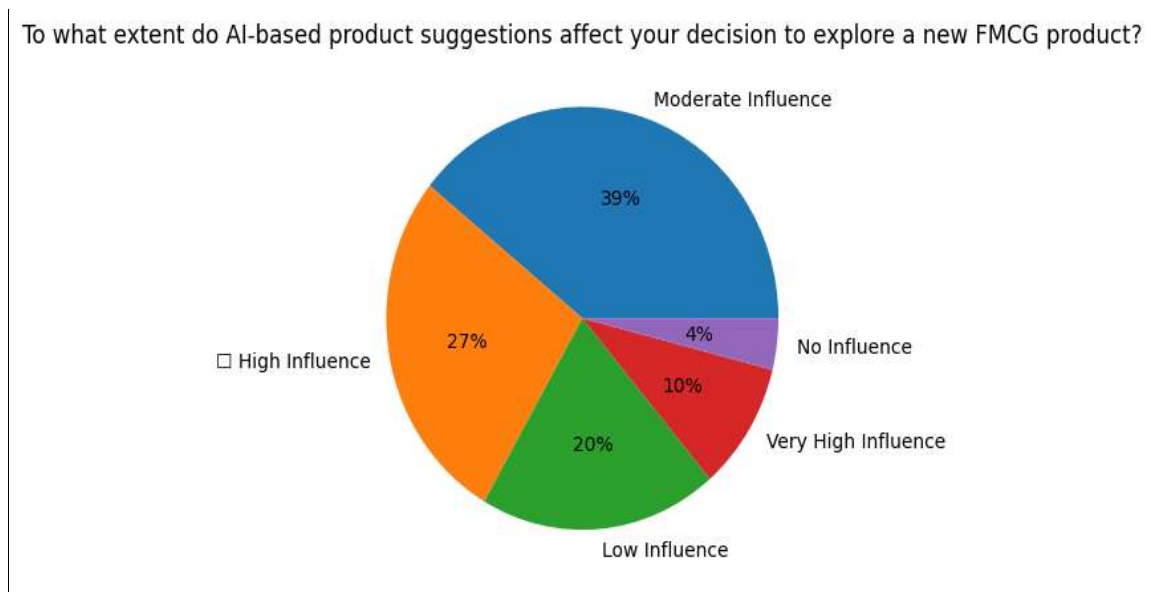


Interpretation:

High frequency indicates that AI algorithms on social media and shopping platforms effectively target users.

7. Impact of AI Product Suggestions

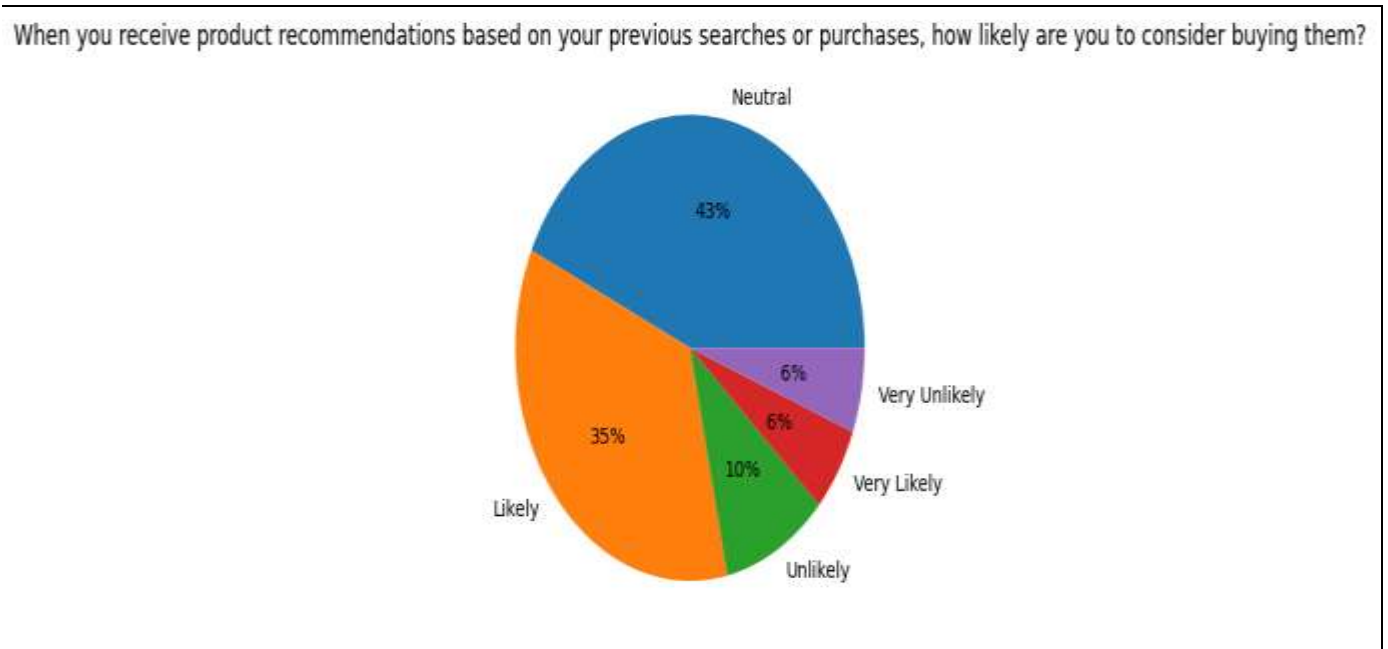
Exploration of New Products shows whether AI recommendations encourage consumers to explore new FMCG products.



Interpretation:

If responses cluster around moderate or high influence, AI recommendations drive product discovery.

8. When you receive product recommendations based on your previous searches or purchases, how likely are you to consider buying them?

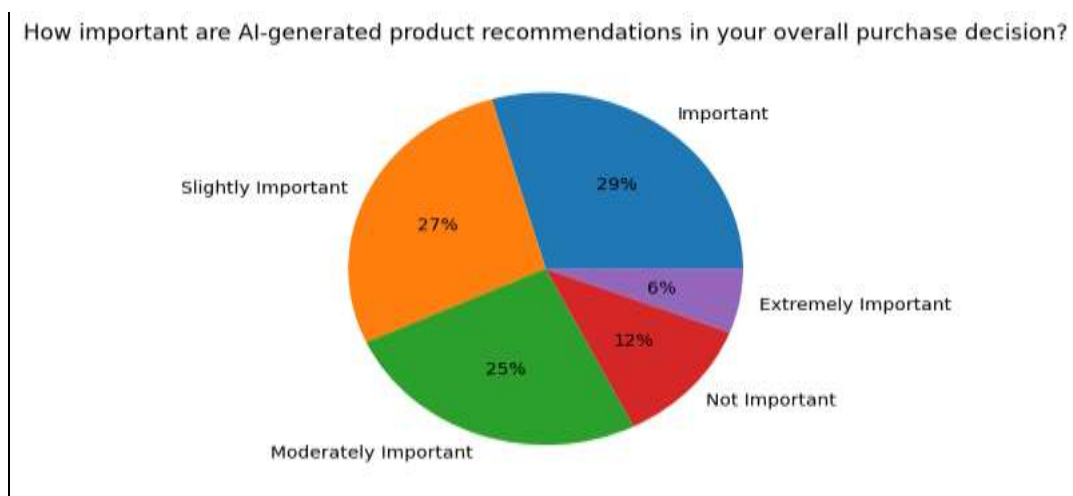


Interpretation:

Consumers are more likely to consider products recommended based on their browsing history, showing the effectiveness of data-driven marketing.

9. Importance of AI in Purchase Decisions

Decision Influence Chart

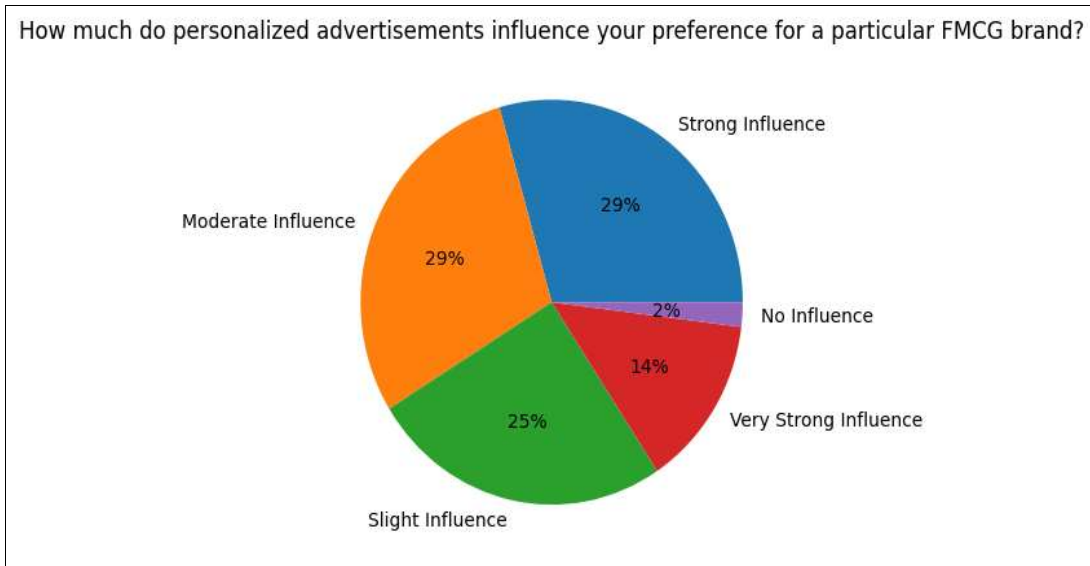


Interpretation:

If many responses are moderate to high importance, it indicates that AI is becoming a key factor in modern purchase decision-making.

10. How much do personalized advertisements influence your preference for a particular FMCG brand?

Brand Preference Influence

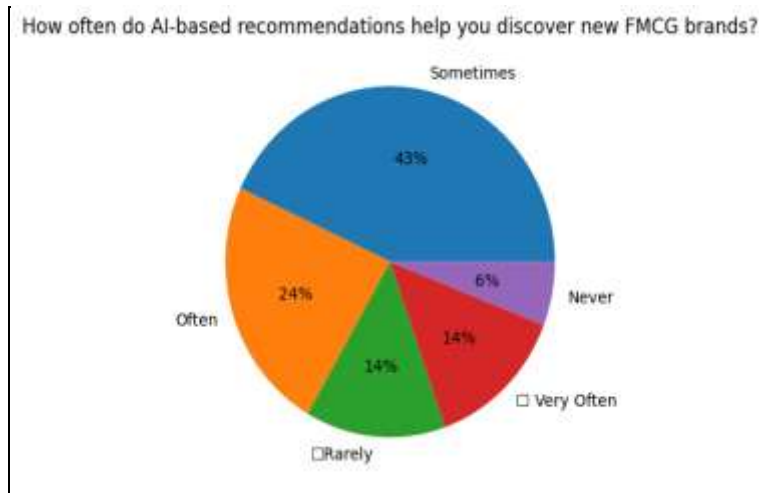


Interpretation:

Personalized ads can shape brand preference, helping companies build stronger consumer connections.

11. How often do AI-based recommendations help you discover new FMCG brands?

Brand Discovery Chart



Interpretation:

AI recommendations help consumers discover brands they may not have searched for themselves

Findings of the Study

1. Majority of respondents belong to the **18–25 age groups**, indicating that the study mainly represents young consumers.
2. Young consumers are highly active on digital platforms and are more exposed to AI-based advertising and online shopping.

3. FMCG products are purchased frequently (weekly or monthly).
4. Frequent purchase behavior increases the chances of AI influencing repeat buying decisions.
5. A significant number of respondents prefer **online platforms** such as: Amazon, Flipkart, Blinkit, and Zepto.
6. This shows that digital platforms play a major role in FMCG sales.
7. Despite awareness, consumers still respond positively to personalized ads. Instagram YouTube

Recommendations

1. FMCG companies should invest more in AI-based personalization to provide relevant product suggestions and offers.
2. Since youth are highly influenced by AI marketing, companies should design campaigns specifically targeting the 18–30 age group.
3. Brands should actively promote products on online platforms such as Amazon, Flipkart, Blinkit, and Zepto.
4. Companies must ensure transparency in data collection and maintain consumer privacy to build trust.
5. Personalized discounts and limited-time offers should be strategically designed to increase repeat purchases.

Conclusion

The study concludes that Artificial Intelligence has a significant impact on FMCG buying behavior among youth in Jalgaon city. AI-based advertisements, personalized recommendations, and targeted discounts strongly influence purchase decisions and brand preference.

Young consumers are digitally active and frequently exposed to AI-driven marketing strategies. As online shopping platforms continue to grow, AI will become an even more important factor in shaping consumer behavior in the FMCG sector.

Therefore, FMCG companies must adopt advanced AI technologies to remain competitive and improve customer satisfaction in the digital era.

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