



Consumer Perception on Fast Moving Consumer Goods in Kathmandu Valley

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Abstract

Background: Consumer perception plays a vital role in shaping purchasing decisions for fast-moving consumer goods (FMCG). In a competitive market like Kathmandu Valley, understanding consumer preferences, perceived quality, brand loyalty, and risk perceptions is essential. Studying these factors helps companies identify market trends, improve product offerings, and design effective marketing strategies to meet evolving consumer expectations.

Purpose: The purpose of studying consumer perception of FMCG products in Kathmandu Valley is to gain insight into consumer behavior and preferences, identify market trends, improve product quality and safety, and evaluate marketing effectiveness. This information can help FMCG companies develop and execute strategies that better meet the needs of their target consumers, increase sales, and build brand loyalty.

Design/methodology /approach: The study is related to the theory of planned behavior as this theory says that psychological hypothesis connects attitudes and actions. Non-probability sampling is used to choose the sample population, 403 respondents in total were interviewed with a structural questionnaire, and data collection was carried out using the KOBO Toolbox. Using PLS-SEM software, structural equation modeling is used to examine the banking consumer perception on FMCG products in Kathmandu valley.

Findings: The results show that majority of consumers prefer international brand detergent due to best quality result. Furthermore, SEM results reveal that behavior intention has a significant relationship with personal norm, perceived risk and social norm whereas, perceived advantage shows the insignificant relationship.

Conclusion: Consumers use same brand of products for long period of time if they are satisfied with the quality of the product. The traditional FMCG brand faces varied challenges from supply-side pressures, retail challenges, competitive threats and ever-rising consumer expectations if they are unable to understand changing market trends. The world is moving towards eco-friendly products. So, both government and industries should coordinate together to produce and fulfill the demand of market with eco-friendly products

Key Words: Consumer Perception, Fast Moving Consumer Goods, Kathmandu Valley, Hypothesis Testing, Survey Methods, Consumption Survey Wealth

1. Introduction

Fast moving consumer goods also abbreviated as FMCG are the cheap items, which are bought often, consumed fast, and substituted within a very limited time frame, typically days up to months (Dibie et al., 2019). These products provide profitability in terms of large volumes of sales but low margins, and they contain such products as soap, toothpaste, personal care products, perfumes, bread, and products of other needs of people that people need in our homes (Dhayanidhi, 2021). FMCG refers to a significant part of the global economy since it spends a significant portion of its funds globally (Azamat et al., 2023). The global scope and the volume that this industry can reach, especially with the help of companies like Procter and Gamble, is evidenced by the success in entering such markets as China (Wang, 2022). FMCG businesses must be dependent on advertising to inform, persuade, and influence consumer purchasing behavior relying on digital marketing and public relations (Adesina et al., 2022). The global FMCG industry has experienced stable growth, and it is projected that its compound annual growth rate would fall between 5.4 percent between 2018 to 2025, a sign of the sustainability of the industry and its demand in different regions (Kucherov & Zhiltsova, 2021).

The perception of consumers in the FMCG industry is conditioned by a combination of various closely related aspects of product quality, price policy, brand image, packaging, promotional campaigns, and distribution efficiency (Nayak & Parija, 2021). The FMCG sector has become the fourth largest industry in India due to the increasing disposable incomes, enhanced brand awareness and because of the increasing population of the youths (Saraswat et al., 2022). The business is deeply embedded in the everyday consumption trends, and it is very consumer oriented (R. Jayanthi, 2017). Cross-selling of FMCG and pharmaceutical products in the retail industry has increasingly been driven by influencer marketing, as it enhances brand credibility and strengthens customer loyalty through parasocial interactions. These influencer–consumer relationships amplify trust and word-of-mouth communication, enabling faster product reach and deeper market penetration (Thakur et al., 2025). Brand image is defined as the decisive element of consumer decision making because consumers will be ready to pay a high price on brands that they trust (Gopinath, 2019). These dynamics point to the significance of perception management in the competitive FMCG markets.

The COVID-19 crisis also highlighted the necessity of flexibility in the FMCG industry, with the firms that reacted swiftly to the alterations in consumer need to recover and survive faster and more effectively (Hossain et al., 2020). The same tendencies of growth and competition can be seen in the FMCG sector of Nepal, which has been growing at a great rate in past decades owing to the growth in population, urbanization, and increase in disposable income (Shrestha, 2019). Food and beverage demand, personal care products and household demand remain increasing and are appealing to the multinational corporations and domestic manufacturers. Local FMCG companies have managed to accumulate their loyal customers, and foreign brands have started to take Nepal as an emergent market (Shrestha, 2019). Nepal has a common promotional strategy, which is the use of local celebrities that helps to increase brand recognition and consumer trust (Pokharel & Pradhan, 2018). Sales promotion is still a dominant competitive instrument, and marketers have discovered the use of discounts and other incentives to affect buyers and make the brand image gain favor (Lama, 2022). Nevertheless, the effectiveness of promotion differs concerning the nature of the product and the characteristics of consumers, which once again support the significance of the knowledge about the local consumer perception.

Despite its potential to grow, the FMCG industry is characterized by chronic problems, which have a direct impact on the perception of consumers. The unstable demand may also lead suppliers to struggle to combine sales requests, which leads to the lack of products and sales, income loss, and customer dissatisfaction (Ewerhard et al., 2019). The high levels of competition also result in price war, fiercely competitive ad campaigns, and the constant need to be innovative, making operations of firms more complex (Lucato et al., 2019). The quickly changing consumer tastes and preferences also make the market complicated because the inability to adjust can lead to the decreasing relevance and market

segments (Wilkins and Ireland, 2020). Sustainability, ethical sourcing, and environmental responsibility also become the primary concerns of consumers that demand that FMCG companies prove their pledged commitment to these aspects to be credible to keep up with competition (Bashir et al., 2020). Bad publicity, product recalls, or quality crashes can very badly affect the brand name and financial results (Shrestha, 2019). These issues demonstrate the balance between the efficiency of operations and brand loyalty and perception of consumers in the FMCG industry.

Some FMCG issues can be solved through innovation and adoption of technology. Those companies, which place innovation as the primary aspect of work by developing new products, improving processes, and adopting new technologies, use to be more competitive (Azamat et al., 2023). Through the e-commerce platforms, there is a chance to increase market penetration, boost convenience, and customer satisfaction. Nevertheless, the supply chain responsiveness is hindered by logistical inefficiencies and high costs of transport especially in developing economies (Oke and Long, 2007). Repeat purchase behavior is also defined by brand loyalty since the habit-based and attitude-based loyalty shapes consumer decision making within a stable market situation (Koll and Plank, 2022). These issues are made worse by the infrastructural bottlenecks, disparate access to markets, and reliance on traditional retailing in Nepal. Consequently, consumer perception depends on both the product characteristics and availability, constancy as well as the confidence of the brand in delivering its services in a predictable manner.

Relative to other brands, Nepali companies that produce FMCGs struggle to attain high revenues because of low marketing efficiencies, regularly heightened prices, increasing taxes, and the supply shortage (New Business Age, 2017; Pokharel & Pradhan, 2018). Even though the potential of e-commerce can revolutionize the distribution system and consumer interaction, its levels are still low, especially in rural and semi-urban regions (Pokharel & Pradhan, 2018). These limitations bring out the fact that there is need to have better market insight, better branding tactics, and effective distribution methods. The analysis of consumer perception in Kathmandu Valley also offers appropriate information on how the consumers would place an appraisal on the FMCGs products based on their quality, prices, availability and brand faithfulness. The advantages of such analysis to businesses, marketers, researchers, policymakers and consumers are enhanced awareness on competitive dynamics/ forces and consumer expectations. The insights on such perceptions will help in making pertinent decisions and add value to the literature on consumer behavior in developing markets, as well as developing knowledge in the FMCG industry in Nepal.

2. Theoretical Framework and Hypothesis Formulation

Theories reviewed in the study can be divided into Theory of Planned Behavior (Ajzen, 1991), Theory of Reasoned Action (Ajzen and Fishbein, 1975), Alphabet Theory (Zepeda and Deal, 2009), Theory of Consumption Values (Sheth, Newman, & Gross, 1991) and the Theory of Ethical Consumerism (Harrison et al., 2005). One theoretical approach used to explain consumer behavior is the Theory of Reasoned Action, which explains consumer behavior because of rational choices based on behavioral attitudes and referring subjective norms with particular attention to willful and rational behavior in the purchase decision (Fishbein and Ajzen, 2010). The theory is based on rational choice assumptions and provides proof that consumer choice aims to maximize satisfaction within their budget constraints and make consumption decisions based on perceived utility, preferences, and monetary constraints (Gowdy and Mayumi, 2001; Ewerhard et al., 2019). Alphabet Theory combines a range of behavioral constructs, such as values, beliefs, attitudes, knowledge, information searching behavior, habits, contextual factors, and demographics, and assumes that consumer is intentionally trying to find information that renders their attitudes and norms, which, in turn, shapes their habitual purchasing behavior (Zepeda & Deal, 2009; Le-Anh & Nguyen-To, 2020). The Theory of Ethical Consumerism emphasizes the increased relevance of ethical values, social responsibility, environmental sensitivity, and health consciousness to influence consumer buying intentions, as moral factors are found to be influential in contemporary consumption (Harrison et al., 2005; Fleseriu et al., 2020). Collectively, these theories give a full base of explanation

on how rational assessment, social impact, moral principles, and environmental influences collaborate to influence consumer behavior in both the FMCG and green marketing set ups.

The given model of buying behavior is based on the personal needs of people and is mainly justified with the help of the Theory of Planned Behavior that focuses on behavioral intention as the central outcome measure. The influence of health consciousness, environmental concern, food safety, perceived product quality, lifestyle, social consciousness, personal attitudes, and perceived behavioral control on consumer intent to purchase have been found to be a strong impact in the context of purchasing FMCG as these variables demonstrate individual concerns and judgments when making decisions (Fleseriu et al., 2020). The advantage of TPB is that it can discover salient beliefs of behavior changes and evaluate their applicability in a certain population, as well as enable validated measurement scales of its immediate predictors, which are attitude, subjective norm, and perceived behavioral control (Yuriev et al., 2020). Also, previous studies have expanded TPB to study word of mouth as a mediator between the marketing mix variables and purchase intention and discovered that WOM mediates the impact of price, place, and promotion on the FMCG purchasing behavior but the effect is insignificant as compared with the effect of product attributes and the perceived quality (Patil and Bagodi, 2021).

The conceptual framework is grounded in the Theory of Planned Behavior and is designed to explain consumers' behavioral intention toward FMCG products. The model focuses on four key antecedents: perceived advantage, perceived risk, personal norm, and social norm. These factors collectively influence consumers' intention to purchase FMCG products, as illustrated in Figure 1.

Figure 1: Conceptual Framework

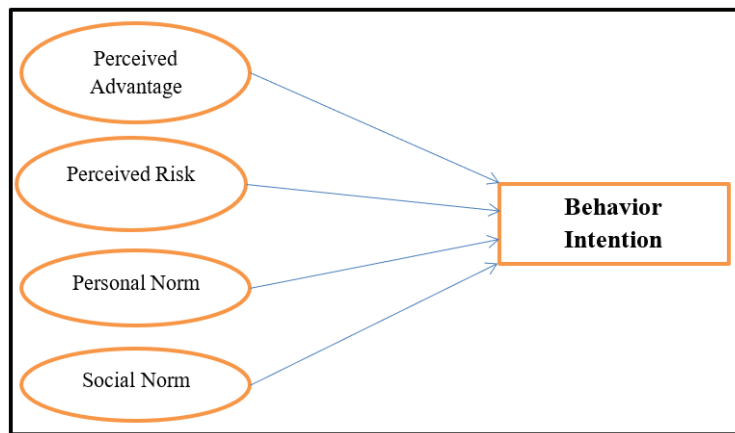


Figure 1 attempts to describe how the intention of the consumers to consume a given buyer behavior is affected by their consideration of the benefits linked to the product, the degree of risk that they perceive in it, their personal morals and the social demands. Behavioral intention has a direct association with all four factors, which means that they have a great influence on the consumer decision-making process.

Hypothesis Formulation

Perceived Advantage and Behavioral Intention

Perceived advantage is a set of consumer estimation of the benefits of the action or product in question. It is a person holding the perception that a certain behavior will lead to good things being done or value added. In the context of the studies on consumer behavior, the perceived advantage is regarded as a prominent factor influencing behavioral intention because consumers will act more when they believe they will be positively benefited (Pham et al., 2020). The higher the perceived benefit the higher the purchase intention and repetition consumption. Nevertheless, this association is not in vacuum, and it can be influenced by various contextual issues. These are availability of substitutes, availability of easy accessibility, and the

perceived price. Moreover, consumer involvement into a product category can enhance or suppress the influence of the effect of perceived advantage on intention (Soorani and Ahmadvand, 2019). Perceived advantage is particularly essential in the FMCG market that is a world of plenty of options and strong rivalry. Perceived benefits are sources of differentiation between similar products that are consumed by consumers. Thus, the idea assists in comprehending consumer behavior in the choice of decisions. FMCG firms can promote purchase intentions by communicating the benefits of the product well. This, consequently, contributes to the increased sales performance and better revenue performance.

H1: There is a significant relationship between perceived advantage and behavioral intention.

Perceived Risk and Behavioral Intention

Perceived risk is the subjective act that a consumer makes towards the negative outcomes that might follow a specific act or a purchase. It has been known to be a significant factor in consumer behavior research because when the perceived risk is high it can decrease the intention to be involved in a certain behavior (Niedermeier et al., 2021). Consumers would assess the risk in product performance, safety, quality and the harmful financial loss when purchasing a product. Perceived risk does not have an independent influence on behavioral intention, but it can be moderated by several factors. These are the existence of substitute goods and the feeling of value to the competing alternatives. Moreover, risk perceptions may have stronger or lesser impacts on a decision depending on the extent to which a consumer is engaged in the category (Procter et al., 2019). Perceived risk can have an importance in the FMCG industry, where shopping is a regular activity and might not be involved in purchasing the product. Unfavorable perception of risk can deter trial or purchase again. Thus, perceived risk is at the core of bringing consumer intentions into clarification. FMCG firms can overcome perceived risk through reducing uncertainty and communicating about the safety and quality of the product. The result of this strategy is to build consumer confidence, improving purchase intention and eventually improving the sales and revenue increase.

H2: There is a negative relationship between perceived risk and behavioral intention.

Subjective Norm and Behavioral Intention

Subjective norms concern the social influence that people perceive, which is from influential people or groups, e.g. family, friends, peers or the media to either support or not support a certain behavior. Subjective norms play a critical role in consumer behavior studies because they are deemed to be a major contributing factor to the behavioral intention, whether an individual is willing to act in a particular way (Fleseriu et al., 2020). The social environment usually provides direction to consumers particularly in cases of making routine purchasing decisions. Subjective norms are also the most effective when the views of the reference groups are regarded as authoritative and valid. When they believe and admire such sources, they may more easily relate their actions to what society wants (Soorani and Ahmadvand, 2019). An example is that close family, or friends can give more recommendations, which will lead to high intention to purchase FMCG products. This is a social factor that is very important in influencing consumer preferences and choices. The buying decisions in the FMCG sector can be supported by social approval because of the intensive consumer of the products. Knowledge of subjective norms aids in understanding the reasons behind the trendy or brand following by the consumers. Such social influences are readily identifiable by the FMCG companies and therefore they can develop marketing strategies that exploit the word-of-mouth and social influence.

H3: There is a positive relationship between subjective norm and behavioral intention.

Personal Norm and Behavioral Intention

Personal norms are referred to as internal moral standards, which are used to guide individuals in their actions and decision making. These norms play a prominent role in consumer behavior as they affect the behavioral intention that is the willingness of a member of the population to undergo a given action (Kim and Seock, 2019). Whenever they have a moral obligation, the more will be the intent to act accordingly.

Minor standards tend to influence preferences to responsible and moral consumption. As an example, consumers who consider environmental protection prioritize more are likely to buy eco-friendly FMCG products. These norms serve as an internal stimulus and not external force. These also reinforce the congruency between beliefs and real behavior. The assumption of personal norms would be used to explain the behavior of consumers in selecting one product in comparison to others. Such norms are particularly applicable in the market where issues of ethics are increasing. By matching marketing campaigns to the individualistic values of the consumers, the firms dealing with FMCG will be able to positively change the buying decisions and increase sales in the long run performance.

Variable and its Definition

Variables used in the analysis as well as the explanations which are shown in table 1.

Table 1: Variable and its Definition

Variables	Observed Variables	Indicator	Description
Behavior Intention (Bashir et al., 2020)	Cleaning Purpose	BI_1*	Use detergent for cleaning purpose.
	Recommend	BI_2*	Recommend use of detergent to friends and family.
	Usage	BI_3*	Using detergent for cleaning is a good idea.
	Refill	BI_4	Refill is a good idea for use of detergent.
	Eco-friendly	BI_5	Recommend using detergent for eco-friendly.
Perceived Advantage (Bashir et al., 2020)	Friendly solution	PA_1	Using detergent is a friendly solution.
	Environmentally friendly	PA_2	Using detergent is environmentally friendly.
	Cheaper	PA_3*	Using detergent over other cleaning products is cheaper.
	Advantageous	PA_4*	Using detergent for cleaning is advantageous to use compared to existing products like soap, baking soda, shampoo, etc.
	Impact	PA_5*	Using internet to shop detergent impacts different benefits.
Perceived Risk (Bashir et al., 2020)	Health factor	PR_1	Using detergent is completely safe and secure in terms of health factors.
	Safe and secure	PR_2	Using detergents is completely safe and secure in terms of environmental factors.
	Reluctant	PR_3*	Brand consideration reluctant to try brand that are not familiar.
	Easy	PR_4*	Using detergent for cleaning is easy to use.
	Convenient	PR_5	Using bigger size of detergent is more convenient than smaller one.
Personal Norm (Bashir et al., 2020)	Protect	PN_1	Change in my habit of consumption of detergent protects the environment.
	Guilty	PN_2*	Guilty conscience for using disposable plastic.
	Account	PN_3*	Take the environment into account when shopping for FMCG products like detergent, soap, shampoo, etc.
	Climate change	PN_4*	Believe that man-made climate change is a major problem in society today due to detergent wrappers.
	Harmful	PN_5	Conventional detergents are harmful to the environment and to humans.

Social Norm (Bashir et al., 2020)	Important	SN_1*	It is important what my friends and family think of using detergent.
	Inexpensive	SN_2*	Home cleaning using detergent appears inexpensive in nature.
	High quality	SN_3	Cleaning facilities like house, office, etc. using detergent appears to be of high quality in nature.
	Simple and convenient	SN_4	Home cleaning using detergent with refill appears as simple and convenient.
	Beneficial	SN_5*	Purchasing green detergents is more beneficial than conventional detergents.

NOTE: * Variable is excluded while data analysis because their AVE is less than 50%

3. Research Methods

Study Area and Population

The study area is in Kathmandu valley, located in Bagmati Province, Nepal. The latitude of Kathmandu Valley lies between 27° 32' 13" and 27° 49' 10" north and longitudes 85° 11' 31" and 85° 31' 38" east and is located at a mean elevation of about 1300 meters (4,265 feet) above sea level. Kathmandu Valley comprises of three districts namely; Kathmandu, Lalitpur and Bhaktapur (Rajbhandari et al., 2022). The study area for research is Kathmandu Valley as the Kathmandu valley has department stores, marts, wholesale shops and retail shops in every location. There are not any people who don't use FMCG products. The current population in Kathmandu valley is estimated to be 3.3 million and is projected to reach 3.8 million by 2031 (Mesta et al., 2022). As one of the highly populated and busiest cities, it became easy to collect data as consumers are found purchasing FMCG products everywhere around the Kathmandu valley. Respondents for this research were consumers using detergent from age 16. Respondents were from both genders and all backgrounds of education and profession. It helped to do survey for how many consumers use regular bases of FMCG products and whether they switch to other brands or not when promotion arrives in the market. Also, what are the problems and challenges they face while using detergent.

Sample Technique and Sample Size Determination

Sampling is the process of choosing a sample of the population to make statistical conclusions about the entire population (Devkota & Mahapatra, 2025). The sampling of this study has been non-probability because the target population was not stated and the respondents who will be dealing with consumer perception of FMCG products in Kathmandu Valley may differ greatly. Exploratory and trial-based studies are the most common research areas where non-probability sampling is applied because random selection is not applicable. In this method, convenience sampling was selected since it is cheap, timesaving and is appropriate in reaching out to respondents with ease than the other sampling methods (Taherdoost, 2018).

A study can be estimated using several methods, and some of the methods include carrying out a census, using sample sizes like those used in past studies, use of standard sample sizes or using statistical formula (Naing, 2003). In case of a large population, Cochran suggested a common formula on the calculation of a representative sample size used in proportion-based research. The formula is expressed as $n_0 = (Z^2 pq) / e^2$ with the following values: n_0 = the required sample size, Z = the standard value at 5% level of significance (1.96) and p = the assumed population proportion (0.5) and $q = 1 - p$, (0.5) and e = the tolerable margin of error (5%) (Naing, 2003; Lawaju et al., 2024). According to these parameters, the first sample size was estimated to be 384.16. There were 19.21 extra respondents to fill the eventuality of a non-response rate of 5% of the total respondents. In this respect, it was decided that the total sample size of the study will have a number of about 403 respondents.

Research Instrument, Data Collection and Analysis

The research design used in the study was a structured questionnaire with interviews being the main research instrument used to gather data on consumer perception regarding the FMCG products in Kathmandu Valley (Lawaju et al., 2023). The research instruments are directly connected with methodology and often comprise the survey, observation, and interview (Taherdoost, 2018). A structured questionnaire was also chosen on account of the quantitative nature and minimum participation of the researcher and maximum response rate (Taber, 2018; Devkota et al., 2023). The questionnaire was created to suit the study and was administered through the KOBOS Toolbox that facilitated the collection of online and off-line data using mobile devices hence cheaper and efficient. Before carrying out the actual data collection process, a pilot study including 15 respondents was used to better understand the clarity and consistency and reliability of the questionnaire. Overall, 403 respondents were surveyed during the last two weeks between January 29 and February 27, 2023.

To analyze the data, the study used methodological approaches to derive meaningful information which could be used in forming informed decisions. Data analysis is a process of systematizing and processing huge amounts of data to extract important insights and trends (Haradhan, 2018). Researchers can also come up with explanations and theoretical knowledge by analyzing the trends of data (Suter, 2014). The data gathered out of department stores, supermarkets, wholesale and the retail shops was analyzed using descriptive statistics, econometric analysis, and value chain analysis. The data entry and coding, as well as tabulating, were performed in Microsoft Excel, whereas the advanced statistical analysis with the focus on the investigation of the relationships between variables and the test of the suggested research model were conducted with the help of Smart PLS 4.0.

4. Results

Socio Demographic Characteristics

A survey was conducted among 403 individuals who lived in the Kathmandu valley using a survey questionnaire. This part will provide the socio-demographic description of the respondents, which will concentrate on their personal attributes. The main variables were analyzed and summarized as gender, marital status, age, education level, profession, family type and family income, which were represented in a table to help in the easy interpretation and comprehension of the sample composition.

Table 2: Socio-Demographic Table

Title	Category	Number	Percentage (%)
Gender	Male	251	62.28
	Female	152	37.72
Marital Status	Single	166	41.19
	Married	235	58.31
	Divorced	2	0.5
Age	16-20	11	2.73
	20-30	170	42.8
	30-40	126	31.27
	40-50	69	17.12
	50 and above	27	6.7
Education Level	Illiterate	6	1.49
	Below SLC/SEE	16	3.97
	SLC/SEE	33	8.19
	Intermediate	61	15.14
	Bachelor	151	37.47
	Master	136	33.75

District	Kathmandu	279	69.23
	Lalitpur	107	26.55
	Bhaktapur	17	4.22
Profession	Student	94	23.33
	Famer	11	2.73
	Businessman	38	9.43
	Teacher	33	8.19
	Health Personnel	8	1.99
	Engineer	17	4.22
	Government Officer	25	6.2
	NGO	10	2.48
	Others	154	38.21
	Family Types	Nuclear Family	193
Joint Family		190	47.15
Extended		18	4.47
Others		2	0.5
Income Level (in NRS)	Below 20000	33	8.19
	20000-40000	98	24.32
	40000-60000	124	30.77
	60000-80000	67	16.63
	80000-100000	31	7.69
	Above 100000	50	12.41

The socio-demographic profile of the 403 respondents that were part of the survey is given in Table 2. The findings have revealed that most of the respondents are men (62.28%), implying that most of the buying and use of detergents to clean and wash clothes are mostly conducted by male buyers. As a percentage of the marital status, 58.31% of the respondents were married. Lama (2022) also reported similar results with 48.5 percent of his respondents being male and 71.4 percent of the respondents being married. The research also indicates that majority of the respondents belonged to the Kathmandu district, with a total sample of 69.23 of the three districts. In terms of age profile, the highest percentage of respondents (42.18) was 20-30 years old with the lowest percentage participation (2.73) being of people aged over 60 years and above. Concerning the educational level, most of the respondents completed a bachelor's degree (37.47% than the master's degree (33.75%). The same tendency was also noted by Rambabu and Porika (2020), who revealed that most respondents aged 23-32 years old had a master level education. These results imply that the study consumers in both jobs are comparatively highly educated and they can make an informed choice on the matters of detergent selection based on quality and budget. Occupational analysis shows that 23.3 percent of the respondents are students, and 9.43 percent of the respondents are in business. However, a higher percentage of respondents were engaged in business in contrast, according to Pokharel and Pradhan (2018). Overall, the results suggest that a significant proportion of consumers are also in the professional fields whose incomes may be considered stable. Also, 47.89 percent of the respondents belonged to nuclear families. In terms of monthly family income 30.77% of the respondents made an income of NPR 40,000-60,000. In line with this, Verbeke and Vackier (2015) discovered that 36.4% of consumers were of high-income level, and the impact of income level on buying behavior was high, especially when buying higher quality FMCG.

Challenges and Managerial Solution for Using Detergent

The study explores the consumer experience of using detergents, as it will be established that, 56.08 percent of the respondents had different experiences. The most frequent issue was that the detergent was unable to remove the heavy grease (19.6%), then there were waxy residue and dirt left or stains (13.65% each). Other interesting issues were the fading of colors (12.16%), health problems related to chemicals (11.17%), the necessity to use additional rubbing during the washing (9.43%), and the presence of large blue stains (5.71%). A minor number of problems included skin irritation or burning (3.23%), poor solubility (1.99%), and unhygienic use (1.49%). Overall, the problem of the poor removal of grease was detected as the most crucial problem, which suggests quality concerns. Regarding responsibility, almost half of the respondents (49.380) blamed detergent manufacturers, as the next blameless persons were competitors and substitute products (8.68%), market-related factors (6.7%), the Ministry of Industry, Commerce and Supplies (5.46) and others (4.47). Only a small number of the people blamed the government policy, Nepal Chamber of Commerce, or Federation of Nepalese Chamber of Commerce and Industry and pointed out that the problems related to the quality of products offered by the manufacturers are the main culprit.

The results of the survey suggest that the issues associated with detergents can be successfully managed with the help of several managerial practices. Some of the recommendations are to ensure that the overall quality of the product is improved, the right quantity of chemicals is used during the production process, new technologies are used, and the packaging and pricing strategies should improve, advertising should be used to promote the product benefits and the correct usage. In terms of responsibility for dealing with the problems, 22.58% of the respondents felt that the best placed industry to solve the problems are the industries, followed by the Ministry of Industry, Commerce and Supplies (10.42%), government policy interventions (4.96%), market mechanism (4.22%), and competitors or substitute industries (2.73%). Less percentage of the respondents blamed the Federation of Nepalese Chamber of Commerce and Industry, the Nepalese Chamber of Commerce and other avenues each with 1.24 percent. All in all, it is possible to point out that manufacturers are the most important parties in terms of tackling the issues surrounding detergent related problems and boosting consumer satisfaction.

Inferential Analysis

The study's objectives were addressed using various inferential analyses, including examining relationships, testing differences, and making predictions (Yellapu, 2019). Most of the primary inferential statistics were based on the General Linear Model, a group of statistical models (Alacaci, 2004). This approach encompassed the assessment of the measurement model, which involved evaluating reflective and formative constructs, factor loadings, indicator multicollinearity (VIF), reliability, common method bias, and construct validity.

Measurement model assessment

Internal Consistency Reliability and Convergent Validity: Internal Consistent Reliability is estimated by evaluating the inter-correlations observed between observable measures and latent construct, which may be represented as Cronbachs Alpha (CA), Composite Reliability (CR) and Average Variance Extracted (AVE) (Janadari et al., 2016). Cronbachs Alpha or Composite Reliability of 0.7 or higher is acceptable internal consistency whereas AVE of greater than 0.5 is good convergent validity (Fornell and Larcker, 1981). In this analysis, the alpha values of Cronbach were less than 0.7 threshold such as 0.302 (BI) to 0.59 (PR), but all the CR values were greater than 0.7 and the AVE values were greater than 0.5. This suggests that the constructs though with lower Cronbachs alpha scores are reliable and valid enough and can be analyzed (Asyraf and Afthanorhan, 2013).

Table 3: Measurement Model

Construct	Indicators	Factor Loading	Cronbach Alpha	Composite Reliability	AVE
Perceive Advantage	pa1	0.820	0.447	0.783	0.644
	pa2	0.784			
Perceived Risk	pr1	0.643	0.590	0.762	0.519
	pr2	0.691			
	pr5	0.816			
Personal Norm	pn1	0.800	0.387	0.765	0.620
	pn2	0.775			
Social Norm	sn3	0.613	0.428	0.756	0.618
	sn4	0.927			
Behavior Intention	bi4	0.904	0.302	0.723	0.578
	bi5	0.581			

Discriminant Validity

In the case of discriminant validity, Fornell-Larcker (FNL) criterion and HTMT ratios were tested. The Fornell-Larcker test is to determine that the square root of AVE of a construct is more significant than the correlated constructs, which means a construct is unique (Hair et al., 2020). This criterion has been met in this study where all constructs have AVE values that are higher than their correlations with other latent variables, and this proves that there is good discriminant validity. Also, the more rigorous indicator of possible lack of discrimination between the constructs was used in the form of the HTMT ratio (Ab Hamid et al., 2017). The values of all the HTMT are lower than the suggested threshold of 0.90 (Maharjan et al., 2025), except Dogmatization (SN) with the value being only slightly higher than the threshold 1.188 with no terminal danger, whereas there are slight limitations in discriminant validity (Khmeleva et al., 2022). On balance, the data indicates that there is satisfactory discriminant validity.

Table 4: Discriminant Validity – Fornell - Larcker Criterion

	Bi	pa	pn	pr	sn
Bi	0.76				
pa	0.298	0.802			
pn	0.322	0.357	0.787		
pr	0.398	0.314	0.371	0.72	
sn	0.488	0.303	0.311	0.47	0.786

Source: Field Study

Table 5: HTMT – Matrix

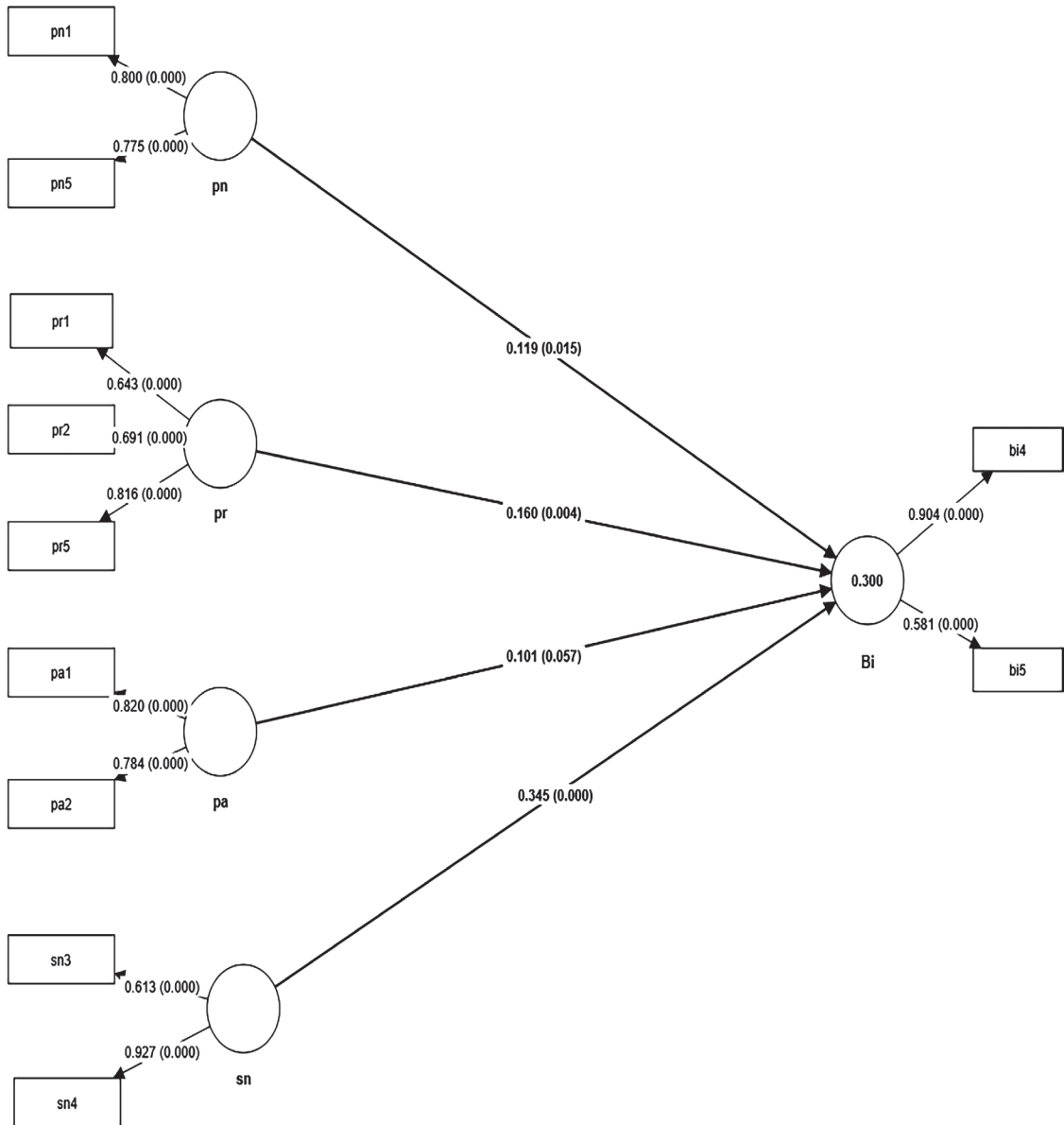
	Bi	pa	pn	pr	sn
Bi					
pa	0.825				
pn	0.9	0.856			
pr	0.745	0.638	0.808		
sn	1.188	0.699	0.759	0.89	

Source: Field Study

Structural Model Assessment

The structural model and its latent variables are embodiments of conceptual and theoretically defined relationships between observed input and output data, which provides a framework of understanding the extent to which various aspects affect consumer behavior. The principal aim of the analysis is to anticipate the result of any endogenous construct with the help of the input information in the structural model framework (Janadari et al., 2016). Figure 2 shows the path coefficients and R2 values of the model, where the R2 values represent the percentage of the variance in the endogenous constructs that the model accounted for, thus, both the predictability of the model and its ability to explain (Hair et al., 2017).

Figure 2: Structural Equation Modeling



Source: Field Study

The model was made of four latent variables, each of which is associated with several observed indicators, and the fit of each latent variable with its observed variables was highly considered. The study evaluated the strength and direction of relationships between the construct when each latent variable influenced the dependent construct. The results show that perceived advantage leads to an undesired behavior intention and therefore increased perceived advantage does not always lead to increased intention to use FMCG products, and 11% of the negative variance ($b = 0.11$) is explained. Alternatively, the relationship between the personal norm, perceived risk, and social norm and the behavior intention is positive, which shows that the mentioned factors contribute to consumer involvement with the FMCG products significantly. Particularly, personal norm influences 11.9 percent ($b = 0.119$), perceived risk influences 16 percent ($b = 0.16$) and social norm influence 34.5 percent ($b = 0.345$) of the favorable deviation in behavior intention. These findings suggest that although perceptions of benefit might not be the primary force driving intentions to buy Goods, social influence, ethical duties and risk perceptions are other significant factors that can affect choices of consumers in the FMCG industry and offer a viable input to marketers and policy formulators seeking to make consumers engaging.

Hypotheses Test

Table 6: Hypotheses Test

	Beta (β)	SD	T values	P values	LL 2.5%	UL 97.5%	Result
pa -> Bi	0.101	0.053	1.901	0.057	-0.011	0.199	Not Supported
pn -> Bi	0.119	0.049	2.433	0.015	0.015	0.211	Supported
pr -> Bi	0.16	0.056	2.854	0.004	0.045	0.264	Supported
sn -> Bi	0.345	0.047	7.316	0.00	0.251	0.436	Supported

The results of all hypotheses are presented in Figure 14 and Table 6, providing a comprehensive overview of the study's findings. The empirical analysis tested hypotheses H1 (pa→Bi), H2 (pn→Bi), H3 (pr→Bi), and H4 (sn→Bi), examining the influence of different independent variables on Behavior Intention (Bi). The findings indicate that Behavior Intention is affected by Perceived Advantage ($\beta = 0.101$, $t = 1.901$, $p < 0.01$), Personal Norm ($\beta = 0.119$, $t = 2.433$), Perceived Risk ($\beta = 0.16$, $t = 2.854$), and Social Norm ($\beta = 0.345$, $t = 7.316$). The bootstrapping results reveal that Perceived Advantage has a negative impact on behavior intention, leading to the rejection of H1. In contrast, Personal Norm demonstrates a positive relationship with behavior intention, supporting H2. Similarly, Perceived Risk positively influences behavior intention, confirming H3, while Social Norm also has a significant positive effect, validating H4. Consequently, hypotheses H2, H3, and H4 are supported and accepted, while H1 is not supported based on the analysis.

5. Discussion

This paper explores the consumer perception of FMCG products in Kathmandu Valley through testing a few hypotheses of which only the significant relationships were accepted. The findings suggest that there is a positive and statistically significant impact of personal norms on behavioral intention (H2: $\beta = 0.119$, $p = 0.015$, $t = 2.433$). Personal norms are the internalized moral values and a sense of duty which influence the decision making of the individual. In line with Kim and Seock (2019), the results indicate that consumers whose personal values are related to responsible or ethical consumption are more likely to form positive purchase intentions to FMCG products, despite other determinants of purchasing behavior like price, quality, brand loyalty, and marketing efforts. These findings demonstrate the relevance of the appeal to the moral beliefs and value systems that consumers hold when developing the FMCG marketing strategies.

Hypothesis regarding perceived risk (H3) also demonstrates significant positive correlation with behavioral intention ($\beta = 0.16$, $p = 0.004$, $t = 2.854$) to prove that risk perceptions are of critical importance in the purchase decision of FMCGs. Issues with product safety, quality, health consequences, or environmental impact may have a huge influence on trust and purchase intention, as confirmed by Niedermeier et al. (2021) and Procter et al. (2019). Moreover, the highest impact on behavioral intention is shown by social norms (H4: $\beta = 0.345$, $p = 0.00$, $t = 7.316$) which highlights the strength of peer pressure, family recommendations, and the general social approval in behavior modeling. Subjective norms influence intentions by creating social pressure and word of mouth to support positive brand perceptions and purchase intentions (Fleseriu et al., 2020; Rana and Paul, 2017; Procter et al., 2019). Overall, hypothesis test proves the fact that behavioral intention to FMCG products in the Kathmandu Valley is mainly influenced by the personal norms, perceived risk, and social norms and marketers need to minimize perceived risk, match offering with consumer values and use social influence to promote consumer intention and perception.

6. Conclusion

This empirical research can enrich the knowledge of consumer perception on FMCG products in Kathmandu Valley, as it examines primary information gathered by using structured questionnaires, distributed to the respondent's using interviews, then processed and analyzed using KOBOLIB, Microsoft Excel, and PLS-SEM. The results indicate that, in the category of detergents, there are significant consumption trends with the male respondents recorded as the higher users, the young and educated consumer base as more inclined towards the international brand due to superior quality and the powder detergents as more popular as compared to the liquid or pod version in Nepal. Although the respondents were very enlightened on the washing and cleaning practices and consumed them on a monthly basis, based on the products, they found significant problems with the products especially in the product being unable to clean heavy greasy and stains and other problems encountered included waxy residue and stiffness of the fabric when large amounts of the products are applied. Simultaneously, some trends suggest that the gradual transition to eco-friendly detergents is observed, which implies that health and environmental sustainability are getting more serious, and manufacturers must create safer and eco-friendly compositions by reducing the number of chemicals that are not needed. In a larger context, FMCG industry has remained a great contributor to the GDP of Nepal due to high demand of the goods and services by consumers because of their tastes and preferences, yet the conventional FMCG brands are under pressure, owing to competition and growth of supply and channel pressures, retail and growing consumer demands. Hypothesis testing also supports the fact that the personal norms, perceived risk, and social norms have a strong impact on behavioral intention, and there is previous evidence of moral values, risk perception, and social influence playing a determinant role in FMCG purchasing behavior (Kim and Seock, 2019; Niedermeier et al., 2021; Fleseriu et al., 2020).

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