

A STUDY ON THE EFFECT OF RISING CIGARETTE PRICES ON CONSUMER BUYING BEHAVIOUR IN MUMBAI CITY

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Abstract:

Tobacco consumption continues to pose a major public health challenge in India, with cigarette smoking being a leading cause of preventable diseases and deaths. In response, the government has implemented various taxation and pricing policies to reduce tobacco use by increasing product affordability barriers. The present study examines the effect of rising cigarette prices on the buying behaviour of smokers in Mumbai City. It aims to analyze changes in purchasing patterns, consumption frequency, brand preferences, and quitting intentions following recent price increases.

The study is based on primary data collected through a structured questionnaire administered to smokers across different socio-economic groups in Mumbai. Statistical tools are used to evaluate the relationship between cigarette price increases and consumer behaviour. The findings indicate that rising cigarette prices significantly influence smokers' purchasing decisions, leading to reduced consumption, brand switching, and increased intentions to quit. The study also reveals that price increases are more effective among young and low-income smokers.

The results highlight the importance of taxation and pricing policies as effective instruments for tobacco control. The study provides valuable insights for policymakers and public health authorities in designing targeted interventions to reduce smoking prevalence and promote healthier lifestyles in urban India.

Keywords: Cigarette Prices, Consumer Buying Behaviour, Tobacco Taxation, Mumbai City, Price Elasticity

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Introduction:

Tobacco consumption remains a major public health concern worldwide. Cigarette smoking is one of the leading causes of non-communicable diseases such as cancer, preventable deaths, and healthcare expenditures. In response to these challenges, governments across the globe have adopted various tobacco control measures, among which price increase through taxation has emerged as one of the most effective strategies to discourage smoking and reduce consumption.

In India, cigarette prices have witnessed a steady rise over the years due to increased excise duties, Goods and Services Tax (GST), and other regulatory interventions. These policy measures aim not only to generate

government revenue but also to influence consumer behaviour by making tobacco products less affordable, especially for youth and low-income groups. However, the effectiveness of such pricing policies largely depends on how consumers respond to these changes in terms of purchasing patterns, consumption frequency, brand preference, and quitting behaviour.

Mumbai, being one of India's largest metropolitan cities with a diverse socio-economic population, presents a suitable setting for examining changes in smoking behaviour. The city's dynamic lifestyle, easy availability of tobacco products, and exposure to multiple social influences make it important to study how smokers adapt to rising cigarette prices. While some consumers may reduce consumption or attempt to quit, others may shift to cheaper brands or alternative tobacco products, thereby limiting the intended public health impact.

The present study, titled "A Study on the Effect of Rising Cigarette Prices on Consumer Buying Behaviour in Mumbai City," seeks to analyze the relationship between cigarette price increases and smokers' purchasing and consumption patterns. It also aims to evaluate whether current pricing policies are successful in discouraging youth and first-time smokers. By examining these aspects, the study intends to provide valuable insights for policymakers, health authorities, and researchers in designing more effective tobacco control strategies.

Recent Literature Review :

1. The study done by **S. Goel (2025)** Analyses time-based price trends and affordability of cigarettes and other tobacco products in India, showing how GST and taxation influence price growth and consumption affordability with implications for smoking behaviour in different demographic groups.
2. **Sakhuja, M., et al. (2024)**. Have studied the purchase patterns of cigarette and bidi smokers in India and how pricing (pack vs loose purchase) interacts with smokers' awareness and they focus on the reaction to health warnings highlighting behavioural responses tied to price and packaging choices.
3. The study done by **NR Goel. (2024)**. Explores tobacco industry interference in policy-making in India and discusses how regulatory and fiscal measures (including taxes/prices) shape consumption behaviours and public health outcomes.
4. **Rana, K. (2023)**. have reviewed on the effects of increased tobacco taxes on smoking prevalence and smoking-attributable mortality in India, showing that higher taxes and prices can reduce consumption and deaths, and providing evidence for price-based policy effectiveness.
5. The study done by **Estelle P Dauchy and Rijo M John (2022)** The study reconstructs individuals' smoking histories and combines them with historical price data for cigarettes, bidis, and smokeless tobacco products. The study also shows that higher prices encourage quitting, although the effect is relatively modest. The impact of price increases is stronger among lower-income groups, young adults, and especially young females.

Research Gap:

Overall, existing literature on tobacco pricing and consumption in India provides valuable insights into long-term trends and national-level patterns. However, there remains a significant lack of recent, city-specific, and micro-level evidence, particularly in the context of post-GST reforms and the revised excise framework of 2025.

Current studies largely overlook detailed consumer purchasing behaviour, the influence of informal and low-cost alternatives, and short-term behavioural adjustments to price changes. Moreover, limited attention has been given to how socio-economic and demographic factors jointly shape price responsiveness, especially among urban populations and young adults. These gaps highlight the need for focused, contemporary research that examines individual-level behavioural responses to tobacco price increases in urban India, thereby supporting more effective and targeted policy interventions.

Research Methodology :

Objectives of the Study:

1. To study the impact of increase in cigarette prices on the purchase behaviour of smokers in Mumbai City.
2. To examine changes in frequency of cigarette consumption after price increase.
3. To analyse whether smokers shift to cheaper brands or alternatives due to rising prices.
4. To examine whether price increase encourages smokers to reduce consumption or attempt quitting.
5. To assess whether current pricing policies are achieving public health goals, especially in discouraging youth and first-time smokers.

Hypotheses of the Study:

1. **H0:** There is a significant impact of rising cigarette prices on the purchasing behaviour of smokers in Mumbai City.
H1: There is no significant impact of rising cigarette prices on the purchasing behaviour of smokers in Mumbai City.
2. **H0:** Increase in cigarette prices significantly encourages smokers to reduce consumption or attempt smoking cessation.
H1: Increase in cigarette prices does not significantly encourage smokers to reduce consumption or attempt smoking cessation.

Research Method :

1. **Research Design:** The present study follows a descriptive research design, as it aims to analyse the impact of increasing cigarette prices on consumer purchasing behaviour.
2. **Sources of Data:** The study is based on primary data, which was collected directly from respondents through a structured questionnaire prepared using Google Forms.
3. **Population and Sample:** 172 respondents residing in Mumbai City within the age group of 18 to 45 years.
4. **Sampling Technique:** The study adopted the Snowball Sampling Method, a non-probability sampling technique.

Scope of the study :

The present study examines the impact of rising cigarette prices on the buying behaviour of smokers in Mumbai City. It focuses on changes in purchasing patterns, consumption frequency, brand preferences, and quitting intentions following recent price increases. The study also evaluates whether current pricing policies are effective in discouraging smoking, especially among youth and first-time smokers. Based on primary data collected

through questionnaires, the research aims to provide city-specific insights to support effective tobacco control policies.

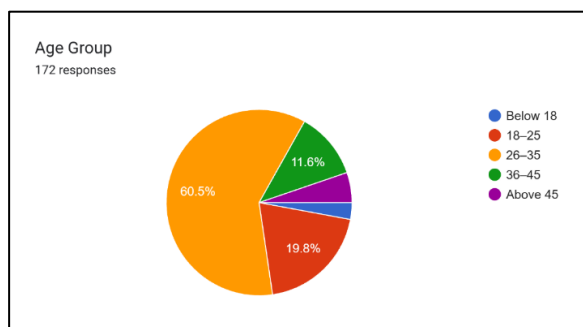
Limitations of the Study:

1. The study is limited to smokers residing in Mumbai City only. therefore, the findings may not be generalized to smokers in other cities.
2. The research is based on primary data collected through questionnaires and self-reported responses.
3. Some respondents may hesitate to disclose their true smoking habits due to social stigma, or personal privacy, which may affect the reliability of the data.
4. Due to time and resource constraints, the sample size may be limited, which can affect the depth and representativeness of the analysis.

Data analysis and interpretation:

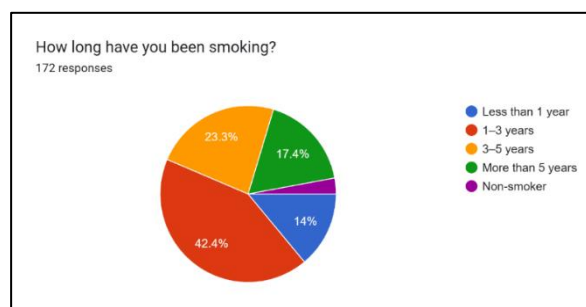
This chapter deals with the systematic analysis and interpretation of the data collected from 171 respondents through a structured questionnaire. The purpose of this section is to examine the impact of rising cigarette prices on the purchasing and consumption behaviour of smokers in Mumbai City. The collected data has been classified, tabulated, and analyzed using appropriate statistical tools such as percentages, tables, and charts. The findings are interpreted in relation to the objectives and hypotheses of the study to draw meaningful conclusions.

Age-wise Distribution of Respondents



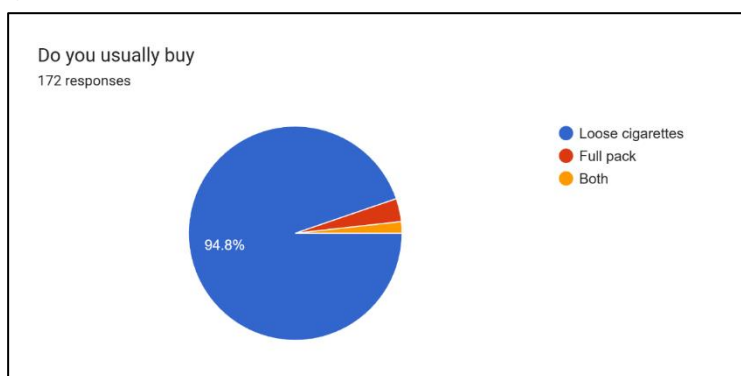
This chart shows the age-wise distribution of the respondents participating in the study. It helps in understanding the dominant age group of smokers in Mumbai City and ensures that the sample represents the targeted age group of 18–45 years. This information is useful in analyzing how price changes affect different age groups.

Duration of smoking



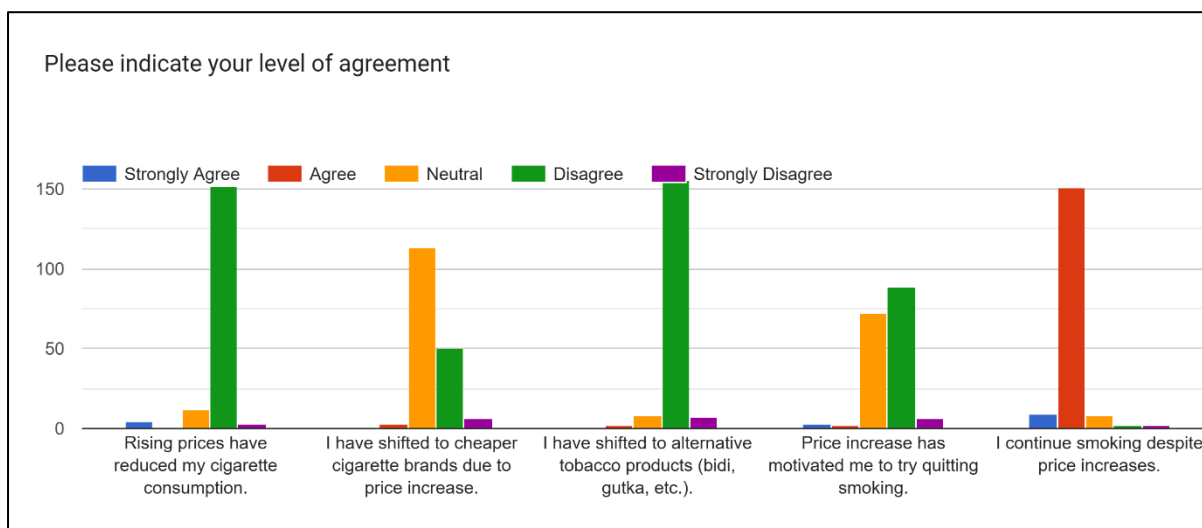
The chart shows that most respondents (42.4%) have been smoking for 1–3 years, followed by 23.3% for 3–5 years. About 17.4% have been smoking for more than 5 years, while 14% are recent smokers. This indicates that the majority are regular smokers, making the data relevant for studying the impact of rising cigarette prices.

Purchase Pattern of Cigarettes



The chart shows that the majority of respondents (94.8%) usually buy loose cigarettes, while only a small percentage purchase full packs or both. This indicates that most smokers prefer buying cigarettes in small quantities, possibly to control spending and consumption, especially after price increases.

Impact of Rising Cigarette Prices on Smoking Behaviour



The chart presents respondents’ level of agreement with various statements related to the effect of price increases on smoking habits. It shows that many respondents disagree that rising prices have reduced their consumption, while a significant number have shifted to cheaper brands or alternative products. Although some respondents agree that price increases have motivated them to try quitting, a large proportion continue smoking despite higher prices. This indicates that price increases alone are not fully effective in reducing smoking behaviour.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Rising prices have reduced my cigarette consumption	5	0	12	153	3
Shifted to cheaper cigarette brands due to price increase	0	3	113	51	6
Shifted to alternative tobacco products (bidi, gutka, etc.)	0	2	8	156	7
Price increase has motivated me to try quitting smoking	3	2	72	89	7
Continue smoking despite price increases	10	151	8	2	2

Respondents’ Level of Agreement on Impact of Price Increase

The tabulated data shows that most respondents disagree that price increases have reduced their consumption. A large majority continue smoking despite higher prices, and very few have shifted to alternatives or attempted quitting. This indicates that price increases alone are not sufficient to bring significant behavioural change among smokers.

The study reveals that rising cigarette prices alone are not sufficient to significantly change smoking behaviour among regular smokers in Mumbai City. Most respondents continue smoking despite higher costs, indicating strong addiction and habit formation.

Although price increases influence a small section of smokers to reduce consumption or shift brands, the overall impact is limited.

Recommendations :

Based on the findings of the study, the following recommendations are suggested to reduce cigarette consumption and improve the effectiveness of tobacco control policies:

1. Strengthen Awareness and Education Programs

Since price increase alone has not significantly reduced smoking, the government and health authorities should conduct regular awareness campaigns highlighting the harmful effects of smoking through schools, colleges, social media, and public platforms.

2. Introduce Stronger Anti-Smoking Advertisements

More impactful and emotionally engaging anti-smoking advertisements should be promoted through television, digital media, and public places to motivate smokers to quit.

3. Restrict Sale of Loose Cigarettes

As most respondents prefer buying loose cigarettes, strict enforcement should be implemented to ban the sale of loose cigarettes. This will reduce easy access, especially among youth and first-time smokers.

4. Provide Accessible Smoking Cessation Support

Free or low-cost counselling, helplines, and de-addiction centres should be made easily available to help smokers who wish to quit.

5. Increase Taxes Along with Non-Price Measures

Instead of relying only on price increases, the government should combine taxation with other measures such as plain packaging, graphic health warnings, and restrictions on tobacco advertising.

6. Focus on Youth and First-Time Smokers

Special programs should be designed to prevent smoking initiation among young people through school-based education and community awareness programs.

Conclusion:

The present study examined the effect of rising cigarette prices on the purchasing and smoking behaviour of consumers in Mumbai City. Based on the analysis of data collected from 171 respondents, it is observed that although cigarette prices have increased, most smokers continue their consumption habits with little change. The findings reveal that a majority of respondents disagree that price increases have reduced their cigarette consumption, and very few have attempted to quit smoking due to higher prices. Most respondents prefer buying loose cigarettes, which makes smoking more affordable despite rising costs.

The study also indicates that only a limited number of smokers have shifted to cheaper brands or alternative tobacco products. This suggests that smokers tend to adjust their purchasing behaviour rather than reduce consumption. Furthermore, the current pricing policy alone does not appear to be fully effective in achieving public health goals, especially in discouraging youth and first-time smokers.

Therefore, it can be concluded that while price increases are an important policy tool, they are not sufficient by themselves to significantly reduce smoking behaviour. A comprehensive approach involving awareness programs, strict regulation of loose cigarette sales, accessible cessation support, and strong anti-smoking campaigns is necessary to bring about meaningful and long-term changes in smoking habits. The study emphasizes the need for combined policy measures to effectively control tobacco consumption and improve public health outcomes.

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