



## MARKETING OF FAST MOVING CONSUMER GOODS IN PALANI

**Dr. V.Pradeepa**

Assistant Professor in Commerce APA College of Arts and Culture Palani.

### KEYWORDS :

#### INTRODUCTION

FMCG goods are popularly known as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods. These items are meant for daily or frequent consumption and have a high return. The fast moving consumer goods (FMCG) segment is the fourth largest sector in the Indian economy.

Food products are the leading segment, accounting for 43 per cent of the overall market. Personal care (22 per cent) and fabric care (12 per cent) come next in terms of market share.

Rural areas expected to be the major driver for FMCG, as growth continues to be high in these regions. Rural areas intensified to a rise of 16 per cent, as against 12 per cent rise in the urban areas. Most companies wish to capitalize on this and rushed to increase the direct distribution and providing better infrastructure. Companies are also working towards creating specific products targeting the rural market. Indian and multinational FMCG players are leveraging India as a strategic sourcing hub for cost-competitive product development and manufacturing to cater to international markets.

#### Marketing

Marketing is a total system of business activities designed to plan, price, promote and distribute wanted and satisfying products to target markets to achieve organizational objectives. Marketing may be defined as a scientific reconciliation of customer needs with the capabilities of the supplier or producer, so that there is mutual satisfaction. The marketing function encompasses the planning and operation to the existing as well as potential business. Marketing has assumed significance in the context of Indian banking owing to the numerous market-related developments that have taken place in recent years. In the fast-changing marketing scenario, it is essential to define the target markets and to assess the alternative markets. The marketing mix has to continue to evolve. Marketing Mix is the term used to describe a combination of the seven inputs that constitute the core of the marketing system.

They are popularly known as the Seven P's.

- 1) Product variety – range as well as branding.
- 2) Pricing – customer's perceived value, quality and price differentiations.
- 3) Place – location/distribution channels.
- 4) Promotion – public relations, advertising, publicity, merchandising, etc.
- 5) People – training, incentives, articulation and work culture.
- 6) Physical – environment in the various service outposts.
- 7) Process – policies, procedures etc.

Market segmentation is the process of dividing the total, heterogeneous market for a product or service into several markets or segments, each of which tends to be homogeneous in all significant aspects. Market segmentation is a customer-oriented philosophy. Markets can be segmented on demographic bases like regional population distribution, urban-suburban, rural population, age, sex, family, life-cycle, miscellaneous such as race, religion, nationality, education, occupations, etc.

#### Growth of FMCG Sector in India

The Indian FMCG market offers a level playing ground for both domestic and international players. All Indian brands and international brands enjoy higher acceptance in the urban market. The rural market is often dominated by the regional and local producers. The Consumer Market, especially Fast Moving Consumer Goods (FMCG), sector in rural and semi-urban India is estimated to cross \$20 billion by 2018 and \$100 billion by 2025, according to an AC Nielsen survey. Some of the most popular consumer goods included fruit drinks, shampoos and biscuits are among the most procuring items in rural and semi-urban areas and will continue to be so. It also revealed that growth in the FMCG sector in rural India increased 3.5 times from 2000 to 2010, as compared to 3.2 times in urban India. In the Annual Global Investor Conference, 2011, conducted by Motilal Oswal, it is stated that the FMCG sector in India has registered a Compound Annual Growth Rate (CAGR) of 11.2 per cent from 2000 to 2010, with an average annual volume growth of 8.5 per cent.

This growth has been attributed to factors like, increased consumption, rise in income levels, changes in lifestyles and demographic changes. The conference highlighted data from an AC Nielsen survey, stated that the rural sector in India accounts for about 33 per cent of the total revenue every year. It also stated that the FMCG sector stood at \$30 billion in 2010.

#### FMCG Growth ladder

**New Consumers** - Because of population growth new consumers added to the FMCG consumer lists. Due to increase in the penetration access to rural areas and more coverage, are the factors for addition in the list.

**Increasing Consumption** - Economic growth leading to higher disposable incomes with a younger population is driving this trend.

**Up trading** - A burgeoning affluent middle and upper middle class ensures up trading to premium products.

It is clear evident that the modern trade penetration will be more in India in the coming years which will have corresponding impact in the sales of FMCG in the rural markets. While going through the Urban and Rural penetration of selected FMCG it is seen that the penetration level in the rural market is higher, while comparing to the urban. The organized retail penetration in India is compared to other elect economies. Market for FMCG is outpacing the urban growth.

#### STATEMENT OF THE PROBLEM

Fast Moving Consumer Goods (FMCGs) are essential goods which get repeat sales. FMCGs are also termed as non-durable goods a tangible item that is quickly consumed worn-out or out-dated and consumed in single use or few uses. Any product that is used very frequently some times daily and more relatively faster (Consumption at least once in a month) at the retailer end can be classified as FMCG. India's market is gaining importance day by day. As the income level of consumers increases the demand of FMCG products is increasing continuously. The study of consumer preference in FMCG helps for marketer to understand consumer preference to survive and successes in the competitive market of FMCG.

**OBJECTIVES OF THE STUDY**

1. To analyse the role of influencers and the extent of use of FMCG products.
2. To analyse the belief structure of consumers towards marketing promotion
3. To offer suitable suggestions based on the findings of the study.

**HYPOTHESES**

1. There exists no relationship between educational status and the product of FMCG preferred.
2. There exist no relationship between occupation and products of FMCG preferred.
3. There is no relationship between the monthly income and the products of FMCG.

**METHODOLOGY**

This section describes the methodology of the present study which includes sampling design, collection of data, period of study and tools of analysis.

**Sampling Design**

The study is based on the primary data collection by the personal interview method. For this 100 household consumers in Palani were selected randomly by adopting the simple random sampling method.

**FINDINGS**

It is found that out of 100 sample respondents a maximum of 30.33 per cent belong to the age group of 20–30 years followed by 27.34 per cent, 22.00 per cent, 15.33 per cent and 5.00 per cent who belong to the age group of 30–40 years, 40–50 years, below 20 years and 50 years and above respectively.

It is indicated that 41.00 per cent have a monthly budget for FMCG products of below Rs.150 followed by 24.33 per cent, 21.33 per cent, 7.00 per cent and 5.34 per cent) whose monthly budgets for FMCG products are between Rs.150 and 300, Rs.300 and 450, Rs.450 and 600 and Rs.600 and above respectively.

It is shown that out of 100 sample respondents a maximum of 51.33 per cent buy FMCG products from local petty shops.

It is found that out of 100 sample respondents buying FMCG products, a majority of 76.33 per cent paid ready cash.

The education of the decision-maker increases there is a decrease in the rate of consultation of family members for the purchase of FMCG products.

The family size of the decision-makers increases they tend to consult other family members extensively for the purchase of FMCG products.

**SUGGESTIONS**

- Supply of FMCGs in economic quantity will further increase the sale of these products.
- Quality of the FMCGs should be improved and consistency of these should be ensured by the manufacturers.
- Strict compliance with GMP (Good Manufacturing Practices) in the processing plants, awareness of the globally recognized standards for safety like ISO quality certification should be insisted on to further develop and promote this sector.
- Indian consumers being peculiar in their food habits, being pure vegetarians and non-vegetarians, producers should ensure separately that the products are purely meant for vegetarians and non-vegetarians, to satisfy their sentiments.

**CONCLUSION**

The result of the study indicates that in the competitive environment, the marketers should implement innovative promotional strategies that can pass the correct message to the

villagers and compatible with their education and understanding levels. The demand or prospect could be increased further if these companies can change the consumer's mindset and offer new generation products. Thus we can safely suggest that the future drivers of growth are the rural markets for the FMCG sectors. Companies need to systematize information flow regarding sales promotion activities particularly at dealer and retailer level.

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