



A RECENT TREND IN FAST MOVING CONSUMER GOODS WITH SPECIAL REFERENCE TO PERSONAL CARE PRODUCTS

Commerce

Dr. R. Nirmala M.com., M.B.A., M.phil., PGDCA., Ph.D Assistant Professor in commerce, Government Arts and Science College, Kovilpatti.

M. Sivasankari M.COM., M.Phil., Research scholar Manonmaniam Sundaranar University, Tirunelveli.

KEYWORDS

INTRODUCTION:

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are products that are sold quickly and at relatively low cost. Though the profit margin made on FMCG products are relatively small (more so for retailers than the producers/suppliers), they are generally sold in large quantities thus, the cumulative profit on such products can be substantial. FMCG is probably the most classic case of low margin and high volume business. The Indian FMCG sector is the fourth largest sector in the economy with an estimated size of Rs.1300 billion. The sector has seen tremendous average annual growth of about 11% per annum over the last decade. In India, the scenario is quite different in comparison to developed nations where the market is dominated by few large players, whereas FMCG market in India is highly competitive and a significant part of the market includes unorganized players selling unbranded and unpackaged products. Approximately 12-13 million retail stores exist across India, the large percentage of which around 9 million are kirana stores. India FMCG sectors' comprises of few significant characteristics like well connected distribution network, high level of competition between the organized and unorganized FMCG players, and low operational cost. In India, FMCG companies have privilege of having easy availability of raw materials, cheaper labour cost and presence across the entire value chain gives India a competitive advantage. 118 Products which have a swift turnover and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG items are those which generally get replaced within a year. So this study explains the overview of personal care products.

PRODUCTS OF FMCG:

FMCG commonly include the range of daily consumed items such as toiletries, soap, detergents, cosmetics, oral care products, shaving products, packaged food products and digestives as well as other non-durables such as bulbs, batteries, paper products, glassware and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, etc. Indian population is spreading and becoming wealthy day by day, particularly the middle class and the rural segments, offers immense opportunity which is left untapped to FMCG players. Growth effect will be seen from product customization in the matured product categories like skin care, processed and packaged food, mouth wash etc. In India, many MNCs have made their presence through their subsidiaries (HUL, Reckitt Benckiser, P&G) and the companies launches innovative products from their parents portfolio in the market regularly to ensure the steady growth. India is a agriculture based economy and has a varied agro-climatic condition which offers extended raw material base suitable for many FMCG sub sections like food processing industries etc. India is one among those countries which has the highest production of livestock, milk, spices, sugarcane, cashew, and coconut and has the second highest production of wheat, rice, vegetables and fruits. Similarly, India has an abundant supply of caustic soda and soda ash, the major raw materials required to manufacture soaps and detergents, which helps companies manufacturing soaps and detergents to grow and prosper. The easy accessibility and availability of these raw materials gives India an additional edge over other countries.

PERSONAL CARE PRODUCTS:

Personal care or cosmetic products in India, being a kind of consumer oriented business, constantly try to cope with the modern and latest requirements of the inhabitants of the country. This industry mainly concentrates on the manufacturing of products related to personal

hygiene and beautification.

During the past few years, India's cosmetic industry has witnessed a remarkable growth because of the growing hygienic awareness, increasing income level and mass media penetration. Being one of the chief FMCG (Fast Moving Consumer Goods) constituents, these products include cosmetics, soaps, hair care products, skin care products, shampoos, perfumes, oral care products and many more.

Overview of

People have wanted to look and feel attractive since the earliest days of civilization. Many ancient societies stressed the importance of personal hygiene. For example, Hindu texts, such as the *Vishnu Purana* and the *Manusmriti* had detailed codes of hygiene. Archaeologists have found evidence of the use of cosmetics as far back as ancient Egypt and Greece. The ancient Romans had elaborate public bathhouses. Today, in our image-obsessed world, taking care of one's personal appearance and demonstrating good hygiene are extremely important. Studies have shown that those who present a good personal image have a better chance of success in life—from finding a life partner to landing a job.

The personal-care products industry aims to help people look better and feel better about them. It creates, manufactures, and sells personal-care, beauty, and hygiene products. Examples include cosmetics, toothpastes, sunscreen, razors, shaving cream, deodorant, soaps and other products for bathing, hair care products, skin care products, nail and cuticle care products, fitness products (such as specialized running shoes and supports and braces), and many other items. Products are sold in retail stores, door-to-door, by mail order, and online.

The personal-care industry is a massive field. Worldwide, it generates more than \$250 billion in annual retail sales, according to the Personal Care Products Council, a trade association for the cosmetics and personal-care products industry that has more than 600 member companies. As of the year 2016, the United States is the largest consumer of personal care products with China and the United Kingdom following in second and third place. In the U.S. the personal care products industry accounts for almost \$237 billion toward the national gross domestic product (GDP) and employs or supports 3.6 million workers, generating more than \$140 billion in wages.

There are approximately 3,400 cosmetic and beauty products manufacturers in the United States, according to research group IBIS World. They are located in every state and throughout the world. Companies range from massive, multinational corporations to small firms with fewer than 100 employees. Well-known makers of cosmetics and personal-care products include Procter & Gamble, Johnson & Johnson, Revlon, Unilever, Kimberly Clark, Avon, L'Oréal, and the Colgate-Palmolive Company. The industry has close relationships with other industries, including transportation, packaging, and chemicals and petroleum, which provide many of the raw materials, such as propylene glycol, that are used to make personal-care products. Retail stores, which sell personal-care products, are located in nearly every town and city. Substantial amounts of personal-care products are also bought and sold online.

Jobs in the personal-care industry exist at many levels and provide opportunities for people with a wide range of skills. Career paths include those in research and development, manufacturing, marketing, sales, administrative support, and other fields.

List of Top Indian Personal care Brands:

To meet the daily requirements of the huge population of the country, many national as well as multi-national companies are involved in the manufacturing and marketing of varied personal care products. They contend each other to provide the best quality products to their customers at an affordable price. Following are some of the best cosmetic brands in India, which are being widely used by people:

• ITC Limited

Based in Kolkata, one of the major metropolitan cities of the country, this Indian conglomerate has been growing rapidly in the national market of personal care products. Manufacturing of varied kinds of personal care products are a part of their business though. The name of this company features in the Forbes 2000 list.

• Johnson and Johnson:

With its name shown in the Fortune 500 list, this American company is known for manufacturing different kinds of baby care products. Being a pharmaceutical company, Johnson and Johnson even manufactures several types of medical goods and devices, which are packed for people's consumption. This top most reputed manufacturer of personal care products in the world is famous for manufacturing products like baby powders, face washes, first aid products, contact lenses,diapers, cream, oil, shampoo and numerous other personal care as well as baby care products. Apart from this country, this brand name is stretched over fifty six other countries.

• Procter and Gamble:

This is one of the top most personal care brands in India. With a huge array of personal care goods, Procter and Gamble provide a huge array of personal care goods, among which a customer can easily choose his or her required products. Gillette is one of the well known brands of this company that has got products like razors and numerous other kinds of products related to personal hygiene. To name a few more products of this company are Ariel, Head & Shoulders, Tide, Pantene, Vicks etc.

• Colgate Palmolive India:

Based in Mumbai, this personal care brand manufactures products like toothbrushes, toothpastes, tooth whitener, shower gel, fluoride therapy and varied other products for the treatment of skin as well as mouth ulcers.

• Godrej Consumer Products Limited:

Known for several types of personal care items like hair color, toilet soaps, liquid detergents etc. Godrej operates mainly from Mumbai. They manufacture soaps on contract as well. To name a few of their popular brands are Cinthol, Ezee, Fairglow, Nupur and many more.

• Hindustan Unilever Limited:

Headquarters in the city of Mumbai, HUL or Hindustan Unilever Limited is the manufacturer of personal care goods like soaps, detergents, cosmetics etc. Some of the mostly used products of one of India's biggest exporter are Lakme beauty care products, Lux, Lifebuoy, Rin and SurfExcl.

• Marico:

This Mumbai based company has got many personal care brands, which are quite famous in India. Some of the popular personal care products manufactured by them are Aromatic, Hair & Care, Kaya, Mediker, Nihar, Parachute, Revive, Saffola, Shanti, Sundari, Sweekar etc.

Besides the brand names mentioned above, some of the other popular personal care brands in India are as follows:

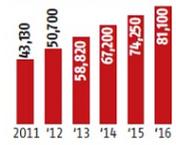
- Dabur India
- L'Oreal India
- Maybelline
- Nirma
- Revlon

Growth of personal care products:

Despite macroeconomic headwinds and demonetisation in the year 2016, the beauty and personal care products market in India grew 9.2 per cent. A segment that continues to be dominated by multinational companies, growth between the year 2011 and 2016 was aided by a near-doubling of annual per capita disposable income.

It explains through the below chart

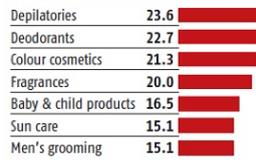
Beauty & personal care



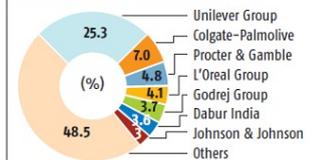
Top five categories

	2011	2012	2013	2014	2015	2016
Bath & shower	12,200	14,080	15,980	18,120	19,640	20,910
Hair care	11,660	13,320	15,040	16,550	17,910	19,280
Oral care	5,840	6,840	8,050	9,390	10,330	11,290
Skin care	5,340	6,420	7,540	8,610	9,650	10,620
Men's grooming	4,130	4,980	5,840	6,770	7,550	8,330

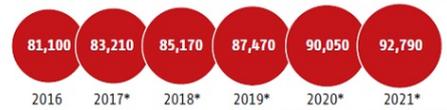
Top categories as per their CAGR between 2011 and 2016 (%)



Who dominate the Indian market (retail value share) market share in 2016



Road ahead for beauty & personal care products in India (₹ crore)



* Estimated figures

Source: Euromonitor International, May 2017

PERSONAL CARE TREND IN THE YEAR 2017:

Mintel Beauty & Personal Care (BPC) has announced 'Active Beauty' as a key trend set to impact the global beauty and personal care industry in the year 2017. Consumers are being encouraged to exercise their bodies and brains, and beauty brands will formulate products to help them in their quest for health and fitness.

Jane Henderson, Global President, Beauty and Personal Care Division at Mintel, said:

"Health and wellness is increasingly talked about as an integral part of daily life from a physical and an emotional standpoint. Now, companies and brands are perfectly positioned to better align themselves with this interest by innovating beauty and personal care products designed to meet the unique needs of active consumers. Our team of global beauty and personal care analysts have collaborated to gain a comprehensive perspective on the momentum and forecast of the beauty industry in the year 2017, with the 'Active Beauty' trend providing the expert analysis and insight needed to give beauty brands a competitive edge."

Product benefits claims, protection claims and ergonomic packaging will all take centre stage for brands looking to capitalise on the 'Active Beauty' trend. In the year 2017 and beyond, expect to see products that shield the hair and skin from exposure to pollution, ultraviolet (UV) and infrared (IR) light, make-up and gym bags filled with rubberised packaging that stays pristine and exercise clothing that sends skin temperature and hydration levels to apps with instructions about which products to release into the skin.

CONCLUSION:

The middle class Indian population, as well as the rural sector, present a huge potential for this sector. The FMCG sector in India is at present, the fourth largest sector with a total market size in excess of USD 13 billion as of the year 2012. This sector is expected to grow to a USD 33 billion industry in the year 2015 and to a whopping USD 100 billion by the year 2025.

This sector is characterized by strong MNC presence and a well established distribution network. In India the easy availability of raw materials as well as cheap labour makes it an ideal destination for this sector. There is also intense competition between the organised and unorganised segments and the fight to keep operational costs low.

This sector will continue to see growth as it depends on an ever-increasing internal market for consumption, and demand for these goods remains more or less constant, irrespective of recession or inflation. Hence this sector will grow, though it may not be a smooth growth path, due to the present world-wide economic slowdown, rising inflation and fall of the rupee. This sector will see good growth in the long run and hiring will continue to remain robust.

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