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## A STUDY ON MARKETING IMPLICATION OF FAST MOVING CONSUMER GOODS

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### ARTICLE DETAILS

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### ABSTRACT

The article is concerned with the marketing of fast-moving consumer items. Fast moving consumer items have poor profit margins and are consequently sold in big volumes. As a result, because several brands are accessible for the same product categories, it is critical to focus on how to boost brand value for customers. Another topic covered in the article is how the recession impacts the demand for fast moving consumer goods and what causes these changes. In such a case, it is vital for manufacturers or corporations to expand their investments in these brands and goods so that customers are drawn to them. Instead of celebrities, ordinary women were chosen as brand ambassadors. At this approach, it was able to better relate to consumers and the general public in the many firms where it was adopted. Despite a number of critiques, Unilever was successful in generating a brand value for its products in the minds of customers. The article is concerned with the marketing of fast-moving consumer items. Fast moving consumer items have poor profit margins and are consequently sold in big volumes. As a result, it is critical to focus on how to boost brand value for customers, as numerous brands are accessible for the same product categories. The sample size is 150 Respondents. The author concluded that the knowledge offered in this study would help. businesses shape their marketing strategy and deliver better service to their clients.

## 1. INTRODUCTION

Marketing Fast Moving Consumer Goods Because Fast Moving Consumer Goods are low in price, and numerous brands and firms are involved in the manufacture and production of the same categories of items, it is extremely difficult to project a unique spot in the minds of customers. As a result, marketers must devise unique strategies and methods for attracting customers to their products, whether the economy is in a slump or experiencing a surge. As a result, during a recession, the obstacles multiply. As we have all seen or heard about the current recession, which has had a severe impact on the global economy, it has become impossible for many companies to exist. The same is true for fast-moving consumer goods

### **Characteristics of the FMCG Business**

The term FMCG-Fast moving consumer goods refer to consumer nondurable goods required daily or frequent use and directly used by the customers. These products cater to necessities comforts as well as luxuries They meet the demands of the entire cross sections of population Price and income elasticity of demand varies across products and consumers. As par ICHA the term FMCG has been defined to include Products that are consumed at least once a month, sold under the National brands in consumer packages, sold through a widespread Distribution network and consumed directly by the consumers'

- 1) **Low Capital Intensity:** Most FMCG product categories require just a little investment in equipment and machinery, as well as other fixed assets. As a result, product shortages due to a lack of capacity would be an unusual occurrence. At full capacity, the turnover is generally five to eight times the investment invested in a Greenfield operation. This is due, in part, to the fact that the company is driven by marketing, and players do not integrate backward. Furthermore, the company has a low working capital intensity because the majority of its sales are made in cash to manufacturers.
- 2) **High Initial Launch Cost:** Despite this, there is a significant upfront investment in new goods, including the costs of product development, market research, test marketing, and, most crucially, launch. A large initial investment in launch marketing, free samples, and product promotions is necessary to establish awareness and develop franchise for a new brand. In the initial year, launch expenses can range from 50 to 100 p percent of sales, with costs gradually decreasing as



the brand grows, obtains customer approval, and turnover increases. Advertisement spend for established company's ranges from 5 to 12 percent depending on the category. It is usual for launches to be given an occasional push, which entails brand reinvention with significant marketing assistance,

- 3) **Technology:** Basic industrial technology is readily available. Furthermore, technology for the majority of items has been quite constant. Modification/improvement seldom alters the fundamental mechanism. Nonetheless, significant global players spend vast suma on R&D due to their capacity to distribute costs across a larger base of worldwide operations Their R&D efforts are focused on developing cost-effective production processes without sacrificing quality or function performance.
- 4) **Marketing Drive:** In FMCG organizations, the marketing function is more important important in The terms of relative significance. The players must reach out to o a large number of people while competing with a number of other companies that essentially provide identical things. The perceived differences in the product are bigger than the actual differences in the product
- 5) **Market Analysis:** Consumer purchasing decisions are influenced by their impressions of brands. They also fluctuate with fashion, money, and lifestyle changes. In contrast to industrial items, it is difficult to classify products based on technical or functional characteristics. Companies are spending a lot of money on product.

The most critical asset for FMCG companies is represented by its brands and distribution network. Brands are bought and sold like any other assets. Typically, when an FMCGbusiness is sold, the value of the brand is several times that. of tangible assets. However as per the current accounting practices in most countries, investment made in building of brands are written off as revenue expenditure. This is due to high involved with a new brand, subjectivity involved in its valuation, lack of consistency and difficulty in separating a brand's value from that tangible assets employed in the business. While a successful brand will pay back the investment several times, in case of brand failure, entire investment has to be written off. High return on net worth 1 of most established companies is also misleading due to the fact that the assets and brands are considerably understated in the balance sheet"

## 2. REVIEW OF RELATED LITERATURE

**Lalitha, Panchanatham (2013)** aimed to study the impact of television advertisements on buying behaviour of rural people with respect to F FMCG Sixty respondents were picked from Annur

village in Coimbatore District for this purpose. The study's findings show that respondents' age is connected with the effect of ads, although this is not the case for respondents' educational qualifications or family income. According to the study's findings, they only learned about other companies from commercials, and they believe marketed items are appropriately priced. As a result, marketers must recognize that commercials have the ability to affect the way consumers see items, and they must exercise extreme caution when structuring advertisement.

**Avinash Pareek and Satyam Pincha (2013)** made a study to find the way's how rural market can be explored to understand the use of marketing strategy as separate from urban. I explored several real-world examples of businesses turning rural. It was stated that Escorts did not rely on television or newspaper marketing, but instead concentrated on market characteristics like as fares, meals, and so on. It in rural India because they are believed to further stated that little packets be good value for are purchased money.

**Kavitha (2012)** discussed about the growth of FMCG industry industry in rural market of India and examined the challenges, opportunities for the FMCG's with growing awareness and brand consciousness among people across different socio-economic classes. The shift in the rural economy in the last few years is due to the reducing dependence on the farm income. The contribution of non-farm income to total rural income has increased, it was found from the study that increase in demand of edible oil and packed biscuits were more in urban areas as compared to the rural areas where as in items like health beverages, shampoos, toilet soaps, washing cakes and washing powder, the increase in demand is more in rural areas than in urban areas. The consumption of such products it rural areas in growing at a higher pace. Riwal consumers want products that carry the best of traditional wisdom and modern science, providing convenience and individualism in one go which means product and brand strategies that respond to these demands are more likely to succeed.

### **3. STATEMENT OF THE PROBLEM**

In the light of the transformation that has taken place in the Indian economy and in the market since the liberalization in the early nineties, FMCG industry has also obtained immense importance. In fact, the major change observed in this industry which was once regulated by a few players have now been converted into a multiplayer one. The competition has increased and the market has become more regulated than ever before.

#### **Need Analysis :**

The marketing team must do market need analysis in order to discover and serve existing demands while also anticipating and planning for future needs. It assists in finding accessible possibilities, analyzing the risks involved, and identifying potential barriers in that the business may overcome them and capitalize on such chances. It is essential to provide a solid foundation and direction for marketing plans, as well as to assist in product placement for maximum performance. The most important activities in marketing needs analysis include environmental studies of factors such as demographics, buyer habits, consumption patterns, and other areas of the target market, as well as internal studies of the company's processes, systems, resources, and other characteristics to determine its capability to meet market needs

#### 4. RESEARCH OBJECTIVES

- To find out the Socio-economic characteristics of the respondents
- To know the interest in FMCG of the respondents in the study area to overview the Characteristics of FMC

#### 5. RESEARCH METHODS

The present study is completely based on the primary data. The sample size is 158 Respondents. The secondary data collected from the books, journals, magazines and websites were used to form the theoretical framework of the study and the review of six literature. The primary data was collected personally with the help of structured questionnaire (google form). The present study is completely based on the primary data collected from the sampled customers of in fast moving consumer goods in Tamil Nadu.

#### 6. FINDINGS, DISCUSSION AND RESULT

The socio-economic nature of the respondents selected for the study is given below.

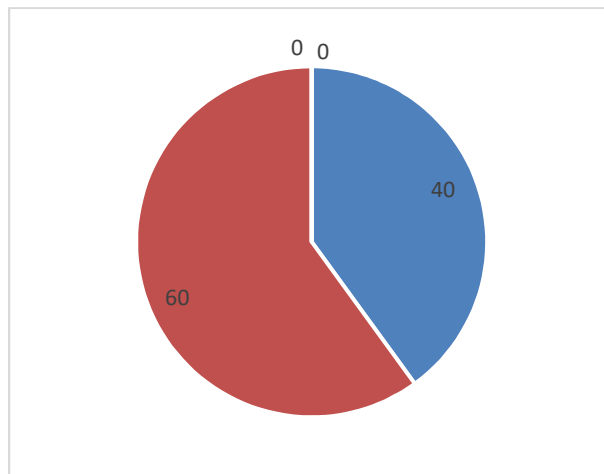
**Table 1: Age group**

Age group	Frequency	Percent
Below 30 years	40	26.7
30-45 years	52	34.7
More than 45 years	58	38.7
Total	150	100.0

The Table 1 depicts that high percentage of the respondents (34.7%) belong to the middle age group. 26.7% of the respondents are young and 38.7% of the respondents are from the old age group.

**Table 2: Gender**

Gender	Frequency	Percent
Male	90	60
Female	60	40
Total	150	100.0

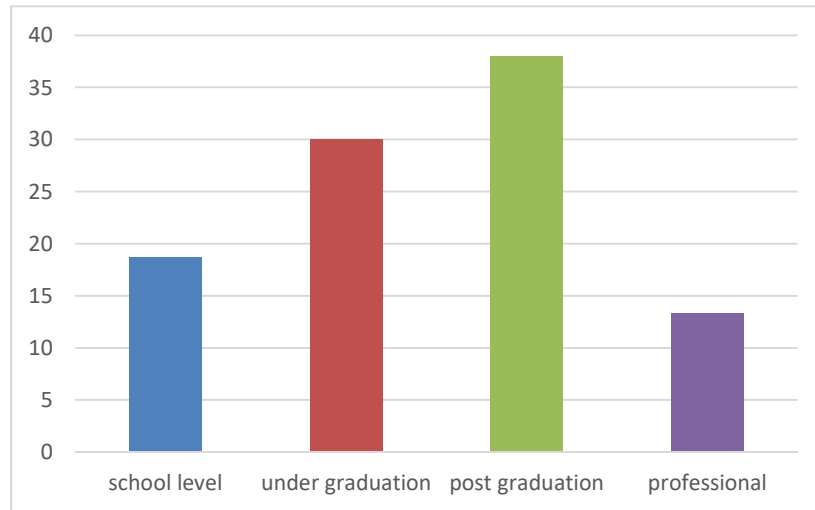


Out 150 sample respondents, majority (60%) of the respondents are male and the rest of the 40% of the respondents are female.

**Table 3: Educational Qualification**

Education Qualification	Frequency	Percent
School level	28	18.7
Under graduation	45	30.0

Post graduation	57	38.0
Professional	20	13.3
<b>Total</b>	150	100.0



The above table shows that most (18.7%) of the respondents are school level of the respondents have completed under graduation. 38% respondents have studied up to graduation. Only 13.10% of the respondents are professionals.

### CONCLUSION

Every country's FMCG product is vital in today's competitive globe. Competitors' engagement in the fast-moving consumer products business is increasing dramatically these days. Advertisement is a critical medium for all FMCG sectors to survive in the long run. Every firm should be fully informed of the marketing medium that will assist it to endure and maintain long-term maturity in a high-competition market, allowing every company to achieve success. As a result, the influence of advertising is critical in the FMCG market.

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