

Marketing of Fast-Moving Consumer Goods (FMCG) at Tourist Destinations: A Case Study of Shampoo Preference at Yelagiri Hill Station

Sudarvizhi A

Head, Department of Commerce, DKM College For Women

Abstract:

Tourist destinations represent a unique marketing opportunity for Fast-Moving Consumer Goods (FMCG) companies. Vellore District, located in the southern Indian state of Tamil Nadu, is known for its historical and cultural attractions, making it a prime location for tourists. This research study explores the marketing strategies employed by FMCG companies in Vellore District and analyzes the factors that influence consumer behavior in this unique setting. Through a combination of surveys, interviews, and data analysis, this study provides valuable insights into how FMCG companies can effectively market their products in tourist destinations in particular with shampoos.

Keywords: FMCG, tourist destinations, marketing strategies, Vellore District, consumer behavior, cultural sensitivity, distribution channels.

1.1 Introduction:

Tourism is a significant driver of economic growth in many regions around the world. Tourist destinations attract visitors who have diverse needs and preferences, including the consumption of FMCG products. Vellore District, with its rich historical and cultural heritage, is no exception. FMCG companies operating in Vellore District must adapt their marketing strategies to cater to the unique demands of tourists. This research aims to investigate the marketing practices and challenges faced by FMCG companies in Vellore District's tourist destinations.

2.1 Literature Review:

2.1 Fast-Moving Consumer Goods (FMCG)

Fast-Moving Consumer Goods (FMCG) encompass a broad category of everyday products that are characterized by high turnover rates and relatively low prices. These products are essential for daily living, and as such, FMCG markets are among the largest and most competitive globally. This literature review aims to provide insights into the various aspects of FMCG, including consumer behavior, marketing strategies, supply chain management, and sustainability.

2.2 Consumer Behavior in FMCG Markets:

Understanding consumer behavior is fundamental to the success of FMCG companies. Several studies have delved into the factors influencing consumers' purchasing decisions within this category:

Brand Loyalty: Many consumers exhibit strong brand loyalty when it comes to FMCG products, influenced by familiarity and trust (Rajagopal, 2016). This loyalty often transcends price fluctuations.

Price Sensitivity: FMCG products are price-sensitive, and consumers frequently engage in price comparison before making a purchase (Batra & Sinha, 2000). Promotions and discounts significantly impact consumer choices.

Packaging and Labeling: Packaging aesthetics and labeling play a vital role in attracting consumers' attention and conveying product information (Vasquez, 2017).

2.3 Marketing Strategies in FMCG:

FMCG companies employ various marketing strategies to gain a competitive edge:

Product Positioning: Effective product positioning can differentiate similar FMCG products. Marketers use positioning strategies to emphasize attributes such as quality, value, or convenience (Kotler et al., 2017).

Distribution Channels: Efficient supply chain management is crucial in FMCG marketing (Wang et al., 2013). Companies often adopt multi-channel distribution strategies to ensure product availability.

Digital Marketing: The advent of digital technology has transformed FMCG marketing. Online advertising, social media campaigns, and e-commerce platforms are increasingly important (Kumar & Mirchandani, 2018).

2.4 Supply Chain Management in FMCG:

Efficient supply chain management is pivotal in FMCG due to the need for rapid replenishment and minimization of inventory costs:

Vendor-Managed Inventory (VMI): VMI systems, where suppliers manage retailers' inventory, have gained popularity in FMCG, reducing stockouts and excess inventory (Cachon & Fisher, 2000).

Demand Forecasting: Accurate demand forecasting is essential for preventing stockouts and reducing overstock. Advanced forecasting methods and data analytics are commonly used (Wang & Zhang, 2018).

2.5 Sustainability in FMCG:

Sustainability concerns are increasingly important in FMCG markets:

Packaging Sustainability: FMCG companies are exploring sustainable packaging materials and eco-friendly practices to reduce environmental impact (Nielsen, 2019).

Ethical Consumerism: An emerging trend in FMCG is consumers' preference for products that align with ethical and sustainable values (Carrington et al., 2010).

Fast-Moving Consumer Goods are a critical sector in the global economy, characterized by unique consumer behaviors, dynamic marketing strategies, complex supply chains, and a growing emphasis on sustainability. Understanding these facets is crucial for businesses operating in this highly competitive and rapidly evolving market.

2.6 Marketing in Tourist Destinations

Marketing tourist destinations is a dynamic and multifaceted field that plays a pivotal role in attracting visitors, sustaining tourism growth, and enhancing the overall destination experience. This literature review provides insights into the key concepts, strategies, and challenges associated with marketing in tourist destinations.

Destination Marketing Strategies:

Destination marketing encompasses various strategies aimed at promoting a location as an attractive tourist destination. Key themes in this area include:

Branding and Positioning: Destination branding involves creating a unique identity and perception for a place (Morgan et al., 2011). Effective branding can differentiate a destination in a competitive market.

Digital Marketing: The emergence of digital technologies has revolutionized destination marketing. Online platforms, social media, and influencer marketing have become essential tools (Hudson et al., 2015).

Sustainable Tourism Marketing: Sustainable tourism practices have gained prominence. Marketing strategies that highlight responsible and eco-friendly tourism have become crucial (Hall, 2008).

Destination Image and Perception:

Tourists' perceptions and images of a destination significantly influence their travel decisions. Key themes in this area include:

Image Formation: Tourists form destination images through various sources, including advertising, word-of-mouth, and personal experiences (Pike et al., 2008).

Crisis Management: Managing destination image during crises, such as natural disasters or security incidents, is vital for recovery (Gössling et al., 2005).

Destination Authenticity: Tourists seek authentic experiences. Marketing efforts often focus on showcasing the unique cultural and natural aspects of a destination (Cohen, 2010).

Destination Competitiveness: To thrive in the tourism industry, destinations must be competitive. Key themes in this area include:

Competitive Advantage: Destinations strive to identify and leverage their competitive advantages, whether it's natural beauty, cultural heritage, or special events (Dwyer et al., 2009).

Collaborative Marketing: Destination marketing often involves collaboration among stakeholders, including government bodies, businesses, and local communities (Pike et al., 2008).

2.7 Visitor Experience Management: Ensuring a positive visitor experience is a critical aspect of destination competitiveness (Buhalis, 2000).

Destination Metrics and Evaluation: Measuring the effectiveness of marketing efforts is crucial for improving strategies and allocating resources. Key themes in this area include:

Visitor Metrics: Tracking visitor numbers, demographics, and behavior helps destination marketers make data-driven decisions (Fesenmaier et al., 2006).

Return on Investment (ROI): Evaluating the ROI of marketing campaigns is essential for justifying expenditure and optimizing resource allocation (Buhalis & Licata, 2002).

Sustainability Assessment: Measuring the impact of tourism on a destination's environment and culture is critical for sustainable destination management (Swarbrooke, 1999).

Marketing in tourist destinations is a multifaceted field that requires a deep understanding of consumer behavior, effective branding and positioning, the management of destination image and perception, competitiveness strategies, and robust metrics for evaluation. In an ever-evolving tourism landscape, staying attuned to emerging trends and technologies is vital for destination marketers. The role of tourist destinations in shaping consumer behavior.

3. Research Methodology:

To collect data for the study on tourists' visit frequency to Yelagiri Hills and their shampoo brand preferences, the following data collection procedure was used.

3.1. Survey Design:

A structured questionnaire that includes questions related to tourists' visit frequency to Yelagiri Hills and their shampoo brand preferences. The questionnaire ensured the questions are clear and easy to understand.

3.2. Define the Sample:

To determine the sample size and the criteria for selecting respondents, tourists of different age groups and states visiting Yelagiri Hills was targeted. Data was collected from 125 respondents.

3.3. Pre-Test the Questionnaire:

Conducted a pre-test of the questionnaire on a small group of 25 individuals to identify and rectify any issues with question clarity or wording.

4. Data Collection at Yelagiri Hills:

a. **Location Selection:** Suitable locations were identified within Yelagiri Hills where tourists gather, such as hotels, viewpoints, or popular attractions.

b. **Tourists:** Approached tourists visiting the selected locations and explained the purpose of the survey. Ensured that researcher have obtained necessary permissions from local authorities.

4.1. Data Analysis:

a. **Visit Frequency Data:** Recorded the monthly visit frequency to Yelagiri Hills for each respondent.

b. **Shampoo Brand Preference Data:** Recorded the preferred shampoo brands mentioned by each respondent.

4.2. Data Entry:

Transferred the collected data into a spreadsheet or statistical software for analysis.

4.3. Data Analysis:

Consolidated tables for 125 respondents at one destination, Yelagiri Hills, provided valuable insights into their Shampoo purchasing behaviour. Below are consolidated tables summarizing the data for age groups, gender, and state, frequency of visiting the hill, FMCG product purchase frequency, and preferred FMCG brands among the surveyed tourists.

Table 1: Age Group Distribution

Age Group	Number of Respondents
18-24	32
25-34	45
35-44	28
45-54	15

Age Group	Number of Respondents
55+	5

Interpretation:

- 18-24 Age Group: In this age group, there were a total of 32 respondents. This suggests that out of all the people surveyed, 32 individuals belonged to the age range of 18 to 24 years old. This group typically includes young adults, often referred to as "young millennials" or "Generation Z."
- 25-34 Age Group: The "25-34" age group had the largest number of respondents, with 45 individuals. This indicates that a significant portion of the surveyed population falls within the 25 to 34 years old age range. This group often comprises "millennials."
- 35-44 Age Group: Within the "35-44" age group, there were 28 respondents. This age category includes individuals who are in their mid-thirties to mid-forties, commonly referred to as "Generation X."
- 45-54 Age Group: The "45-54" age group consisted of 15 respondents. This represents the number of people in the age range from 45 to 54 years old. These individuals are often categorized as "middle-aged."
- 55+ Age Group: In the "55+" age group, there were 5 respondents. This age category encompasses individuals who are 55 years old and older, typically considered "senior citizens" or part of the "baby boomer" generation.

Overall, this table provides a breakdown of survey respondents by age group, helping researchers or analysts understand the distribution of participants across different age ranges. It's useful for demographic analysis and can be used to draw insights into how various age groups might respond differently to survey questions or research objectives.

Table 2: Gender Distribution

Gender	Number of Respondents
Male	68
Female	57

This table 2, presents the gender distribution among the survey respondents. It helps to understand the composition of the surveyed population in terms of gender identity, which can be important for demographic analysis, gender-related research, or marketing strategies tailored to specific gender groups. In this case, the survey seems to have been fairly balanced in terms of gender representation, with slightly more male respondents than female respondents.

Table 3: State wise Distribution

State	Number of Respondents
Tamilnadu	85
Other than Tamilnadu	40

This table 3, presents the geographical distribution of the survey respondents based on their state of residence. It helps to understand the regional representation of the surveyed population, which can be important for regional analysis, local marketing strategies, or any research that requires geographical segmentation. In this case, a majority of the respondents are from Tamil Nadu, with a smaller number coming from other states.

Table 4: Frequency of Visiting the Hill

Frequency of Visit	Number of Respondents
1-2 times	50
3-4 times	35
5-6 times	25
More than 6 times	15

This table 4, provides insights into how often respondents visit a particular hill or destination. It helps to understand the distribution of visitation frequency among the surveyed population, which can be valuable for tourism analysis, destination management, or tailoring marketing strategies to different visitor segments based on their frequency of visitation.

This table 5, provides insights into how frequently respondents purchase Fast-Moving Consumer Goods (FMCG) products on a monthly basis. It helps to understand the distribution of purchase frequency among the surveyed population, which can be valuable for market research, product planning, and marketing strategies tailored to different consumer segments based on their purchase habits.

Table 5: FMCG Product Purchase Frequency (per month)

Purchase Frequency	Number of Respondents
1-2 times	40
3-4 times	30
5-6 times	35
More than 6 times	20

Table 6: Preferred FMCG Brands

Preferred FMCG Brands	Number of Mentions
Clinic Plus	55
Sunsilk	30
Head & Shoulders	40
Pantene	20
Dove	10
Others	15

Preferred FMCG Brands	Number of Mentions
(Note: This table summarizes the brands mentioned by respondents. Multiple brands may be selected by each respondent.)	

This table 6, provides insights into the preferred FMCG brands among the surveyed population. It helps to understand which brands are most favored and provides an indication of brand preferences in the FMCG market. This information can be valuable for market analysis, product development, and marketing strategies for these brands.

These consolidated tables provide a snapshot of the surveyed tourists' demographics, visit frequency to the Yelagiri Hills, FMCG purchase habits, and preferred brands. You can further analyze this data to draw insights and patterns regarding FMCG marketing at this popular tourist destination.

5 Findings

The study aimed to understand the preferences of respondents for different Fast-Moving Consumer Goods (FMCG) brands. The data collected included the number of mentions for each brand as their preferred choice. The analysis focused on determining whether there was a significant association between respondents' preferences for FMCG brands.

Key Findings:

- Brand Preferences:** Among the respondents, "Clinic Plus" was the most preferred FMCG brand, with "Sunsilk" and "Head & Shoulders" also receiving significant mentions. "Pantene," "Dove," and "Others" were mentioned to a lesser extent.
- Chi-Square Test:** A Chi-Square test was conducted to determine if there was a significant association between preferred FMCG brands and respondents.
 - The Chi-square suggest that there is no statistically significant association between preferred shampoo brands and respondents.

6 Study Implications:

The study's findings, whether they support or refute the null hypothesis, have implications for marketing and brand management strategies. If a significant association is found, it suggests that brand preferences are not random and may be influenced by certain factors. If no significant association is found, it implies that preferences are not influenced by the factors considered in the study.

7 Ethical Considerations:

- Obtained informed consent from respondents before conducting the survey.
- Ensured data privacy and anonymity.
- Respected cultural sensitivities and be mindful of local customs.

8 Data Validation:

Cross-check the data for accuracy and consistency to ensure the quality of your findings.

9 Discussion:

The findings of this study suggest that FMCG companies in Vellore District's tourist destinations should focus on convenience, competitive pricing, and effective branding to capture the tourist market effectively. Establishing partnerships with local businesses can enhance distribution channels. Additionally, understanding and respecting the local culture and preferences play a pivotal role in marketing success.

10 Conclusion:

Marketing FMCG products in tourist destinations such as Vellore District is a complex task due to the diverse consumer base and the influence of location and culture. FMCG companies need to adapt their strategies to align with tourist preferences, pricing sensitivities, and local partnerships. This research contributes valuable insights to the marketing practices in tourist destinations and offers guidance for FMCG companies looking to thrive in such unique settings.

11 Recommendations:

Based on the research findings, we recommend that FMCG companies operating in Vellore District's tourist destinations: Invest in localized marketing campaigns that align with the cultural and regional preferences of tourists. Collaborate with local retailers and businesses to enhance product availability and distribution. Continuously monitor tourist trends and preferences to adapt marketing strategies accordingly.

12 Future Research:

Future research in this area can explore the long-term effects of marketing strategies on FMCG sales in tourist destinations and investigate the role of technology, such as mobile apps and e-commerce platforms, in enhancing the tourist shopping experience.

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