

A Study on Overview of Fast Moving Goods

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Abstract

Customer satisfaction is an indispensable component of the Marketing function and it can be simply defined the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals. With many companies turning customer centric, customer satisfaction levels are measured and plans for its improvement are done by all most all the businesses. Satisfied customers usually buy more and buy frequently. Loyal customers also act best promotional source to new customers. They tend to bring in more and more new customers through word of mouth communication. The taste and preferences of consumer are changed often. Every customer in the market has his/her own Brand Preferences. Customers will be looking for certain attributes before purchasing the products i.e., FMCG. The top FMCG, or consumer packaged goods, companies are characterized by their ability to produce the items that are in highest demand by consumers and, at the same time, develop loyalty and trust towards their brands

Keywords: Fast moving goods, customer satisfaction, customer preferences, Factors for purchase

Introduction:

FMCG Sector in India is one of the four largest sectors in Indian economy. The FMCG sector would continue to do well not only because it is a defensive and well entrenched one, but also because it logs directly on to the fundamental economic growth potential of the country. The FMCG (Fast Moving Consumer Goods) companies have faced tough competition among themselves over the years which is continuously increasing. This is due to the increase in per capita income among individuals and also various developments in rural economy. The FMCG sector has changed its strategies and has opted for a more well-planned marketing of the products to penetrate both the rural and urban markets. To execute these tasks, the FMCG companies are hiring more and more people which has led to an increase in the job prospects in this sector. Thus, FMCG sector is creating massive employment with good career prospects. Marketing, retail, sales, services and supply are the key areas which generates maximum career scopes in FMCG Industry in India.

Consumer Goods

In economics, any commodity which is produced and subsequently consumed by the consumer, to satisfy his current wants or needs, is a consumer good or final good. Consumer goods are goods that are ultimately consumed rather than used in the production of another good. For example, a microwave oven or a bicycle which is sold to a consumer is a final good or consumer good, whereas the components which are sold to be used in those goods are called intermediate goods. For example, textiles or transistors which can be used to make some further goods. When used in measures of national income and output, the term "final

goods" only includes new goods. For instance, the GDP excludes items counted in an earlier year to prevent double counting of production based on re sales of the same item second and third hand. In this context the economic definition of goods includes what are commonly known as services. Manufactured goods are goods that have been processed in any way. As such, they are the opposite of raw materials, but include intermediate goods as well as final goods.

Fast Moving Consumer Goods

Fast Moving Consumer Goods are popularly known as Consumer-Packaged Goods. Which include all consumables (other than grocery/pulses) bought 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 certain electronic goods. These items are meant for daily or frequent consumption and have a high return. The FMCG sector consists of three product categories such as Household Care, Personal Care and Food and Beverages each with its own hosts of products that have relatively quick turnover and low costs.

1. Household Care

The household care products under FMCG include Fabric wash (laundry soaps and synthetic detergents); Household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish).

2. Personal Care

The personal care products under FMCG include Oral care, hair care, skin care, personal wash (soaps), cosmetics and toiletries, deodorants, perfumes, feminine hygiene, and paper products.

3. Foods and Beverages

The Foods and Beverages care products under FMCG include Health beverages, soft drinks, Staples/cereals, Beverages bakery products (biscuits, bread, cakes), snack food, chocolates, ice cream, tea, coffee, soft drinks, processed fruits, vegetables, dairy products, bottled water, branded flour, branded rice, branded sugar and juices and the like.

Objectives of The Study

1. To trace the origin and growth of FMCG
2. To study the profile of FMCG companies in India.

II. Historical Growth of The FMCG Industry

The consumer markets in India are constantly evolving. The first phase of consumer market evolution in the 1980s and the 1990s was characterized by some major structural changes such as changes in income distribution, increased product availability (in terms of both quality and quantity), increased competition, increased media penetration and improved advertising (impacting lifestyle). This raised the levels of consumer awareness and preference to consume the various products. The late 1990s witnessed a rush forward in consumer finance products owing to steady financial sector reforms in the economy and innovative marketing. The consumer markets in India have entered the second phase of evolution with the turn of the century. Hindustan Lever Limited (HLL) was probably the only MNC Company that had its manufacturing base in India. At that time, the focus of the organized players like HLL was largely cultured. There too, the consumers had limited choice. But, Nirma entry changed the whole Indian FMCG scene. The company focused on the „value for money“ that made FMCG products like detergents very affordable

even to the lower strata of the society. Nirma became a great success story and laid the roadmap for others to follow. Further, the government's relaxation of norms encouraged MNC's to go for scale of economy to make FMCG products more affordable. Consequently, today soaps and detergents have almost 90% penetration in India. Post liberalization saw not only increased domestic choices, but also of imported products. The lowering of the trade barriers encouraged MNC's to invest in India to cater to Indian consumers' needs. Further, the FMCG companies such as HLL, Godrej Consumer, Marico, Henkel, Reckitt Benckiser and Colgate vie with one another to attract and sustain the rural consumer first. Each of them has seen a significant expansion in the retail reach in mid-sized towns and villages. Currently 50% of all HLL sales come from rural India. One of the biggest changes to boost the FMCG industry was the introduction of „sachet“. In the last 3 years, almost all EMCG's is marketed through, smaller package sizes at lower price points. This is the biggest innovative leap which increased number of users and expand market share for value added products in urban India and for general FMCG products like detergents, soaps and oral care in rural India. The FMCG industry has tripled its size over the past 10 years chiefly because of many changes in the Indian economic and industrial landscape, such as reduced levels of taxation, easier import of materials and technology, reduced barriers to entry of foreign players, growing organisational maturity of Indian players, growth of media, and, of course, the growing affluence and appetite for consumption of the Indian consumer. The industry's potential to grow further and faster is awesome, given the low penetration of most categories and rising consumer incomes. There is a huge growth potential for all the FMCG companies as the per capita consumption of almost all products in the country is amongst the lowest in the world. Again, the demand or prospect could be increased further if these companies can change the consumer's mindset and offer new generation products. Earlier, Indian consumers were using non-branded apparel, but today, clothes of different brands are available and the same consumers are willing to pay more for branded quality clothes. It's the quality, promotion and innovation of products, which can drive many sectors. The growth of GDP has accelerated the growth of FMCG industry in India over the years.

III. Consumer's Buying Behaviour Towards FMCG Sector

Nowadays world purchases are made by a customer to satisfy his or her needs. All the behavioural activities of a customer during and after the purchase of a product are termed as “buyer behaviour”. A consumer is faced with purchase decision daily but not all decisions are equal in importance. Some decisions are more complex which require more effort while other decisions are almost a routine which require only little effort. In general, consumers face the following four types of problems in making purchase decisions.

Minor New Purchase:

These purchases represent something new to a consumer but in the customer's mind it is not a very important purchase in terms of need, money or other reason.

Minor Re-Purchase:

These are the most routine of all purchases and often the consumer returns to purchase the same product without giving much thought to other product options that is consumer's brand loyalty.

Major New Purchase: These purchases are the most difficult of all purchases because the product being purchased is important to the consumer who has little or no previous experience of purchasing the product. The consumer's lack of confidence in making this type of decision often (but not always) requires the consumer to engage in an extensive decision-making process.

Major Re-Purchase:

These purchase decisions are Also important to the consumer but the consumer Who feels confident in making these decisions because of previous experience. For marketers it is important to understand how consumers treat the purchase decisions. If a company is targeting customers who feel a purchase decision is difficult (i.e., Major New Purchase), their marketing strategy may vary greatly from a company targeting customers who view the purchase decision as routine. In fact, the same company may face both situations at the same time for some the product is new, while for others it is routine. The implication of buying behaviour for marketers is that different buying situations require different marketing efforts.

IV. Category Wise Share of FMCG Sector in India

S. No	Product Category	Percentage Market Share
1	Food and Beverages	43
2	Personal Care	22
3	Fabric Care	13
4	Hair Care	09
5	Baby Care	04
6	Home Care	04
7	OTC Products	05
	Total	100

V. The Challenge - New Product Development (FMCG)

In this age of accelerating commoditization, companies are increasingly gambling on the success of innovative new products, yet companies continue to release new products the same way they always have. As far as the economic scenario is concerned, India is surely on a roll. The last twenty years have really proved extremely beneficial for India. India is expected to cross the 8 Per cent mark and move to 9 Per cent GDP growth rate. India is the second largest populated country in the world with over one billion people. Although India has not had a striking 10 Per cent year over year economic growth as its neighbours China has still managed to grow at a nominal rate. India's GDP growth has been slow but steady.

VI. Conclusion

In today's scenario, Consumer is the king because he has got various choices around him. If you are not able of providing him the desired result he will definitely switch over to the other provider. Therefore, to survive in this competitive competition, you need to be the best. FMCG was able to maintain hold its top rank providing quality product at reasonable price to consumer. Quality is the main motivating factor for the consumer to buy the product of FMCG.

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