



An Overview of Indian Fast Moving Consumer Goods Sector

Dr. Savita Trivedi,

Professor, Dayananda Sagar Institutions, Bangalore-560111,

Abstract

The FMCG industry in India is experiencing rapid expansion and potential growth. FMCG product touches every aspect of human life. These products are widely used by the society. This sector has shown an extraordinary growth in last few years. It is fueled by increasing income of middle-income group people. This sector is an important contributor in Indian economy. The FMCG industry is said to be highly competitive industry due to its strong branding and product advertising. From past decade, the revenue in FMCG industry in India has been growing at a faster pace and grew at the rate of 21.4%. The manufacturers continue to put in efforts to develop and enhance their products to sustain the huge competition. They search for strategies to stay in line with the market changes and consumer trends. In order to achieve their targeted goals and attain profitability, FMCG manufacturers continuously work for new sales venues and outlets for their products. More than 65% of total Indian population lives in rural areas and those people spend around 50% of their total expenditure on buying the daily used products as in the FMCG products. It is projected that in India, the number of people buying consumer goods online is to reach 850 million by the year 2025. This paper highlights on overview of FMCG sector and future prospectus.

Keywords-

An overview, evolution of FMCG Market, key trends, driving factors, role of rural consumers, future prospectus.

Introduction-

FMCG goods possess the characteristics of frequent purchases, low engagement (little or no effort to choose the item), low prices, short shelf life, rapid consumption, price comparison over online purchase by customer, high demand. These goods have high turnover when they are on the shelf at the store.

FMCG or consumer goods are the products purchased for consumption by the average consumers. FMCG goods are majorly categorised into 3 different groups: durable goods, non-durable goods, and services. Durable goods are goods which can be retained for a longer period of time and have a shelf life of three years or more, while non-durable goods cannot be stored for a longer time and have a shelf life of less than one year. Fast-moving consumer goods are the largest segment of consumer goods being sold and consumed on a faster pace. These faster moving goods fall into the non-durable category, as they are consumed immediately after being purchased and have a short shelf life. Nearly every individual in the world uses fast-moving consumer goods (FMCG) almost every day. They are the small-scale purchases made at any of the produce stand, grocery store, supermarket, and warehouse outlet. Consumers are more likely to show-off a durable good that is branded or of more value such as a new car or a smartphone than a new energy drink which they picked up for \$2.50 at the convenience store. Some fast-moving

consumer goods are highly perishable such as meat, dairy products, baked goods, fruits, and vegetables. Sales of FMCG are usually affected by discounts being offered by the stores, holidays, and other seasonal periods.

Objectives of the study-

- To have an overview of FMCG sector.
- To achieve new insights.
- To know about changing trends of FMCG market.
- To know about the current position and growth pattern.
- To know the issues related to growth and to identify future opportunities for FMCG sector.

Statement of problem-

FMCG sector is a multimillion-dollar sector. Fast Moving Consumer Goods (FMCG) sector is the fourth largest sector in the Indian economy and a major contributor to the country's GDP. Over the years the FMCG sector is seen to grow at a healthy pace on account of increase in consumer income, increase in the budget for spending, increasing brand consciousness among consumers, awareness, booming youth population, changing consumer lifestyle, growing internet penetration, and increased E-Commerce platform. The FMCG market is segmented into 4 major categories- Food and Beverages, Personal Care, Household care and Other Products. The study aims to provide an overview on FMCG sector and also particularly looks into the segmentation. The study focuses on percentage growth rate of the sector and growth drivers contributing to the growth rate. Also details about the leading market players and their strategy to capture the market has been analysed. The emphasis is also laid on the background, current position and the future prospects the sector.

Research Methodology-

Study has been done mainly on the basis of secondary data and information collected from Government publications, research publications, past records, business records, organisational data books, published works, articles, reports, research papers, magazines and other online accessible information. All the supported contents were accessed through online medium and other text documents. Descriptive method has been used.

Review of literature-

Kumar and Madhavi (2006) in their study "Rural Marketing for FMCG" evaluated the level of satisfaction and brand preference of FMCG consumers and revealed that rural marketing is not fully encased by marketers. FMCG products could significantly increase their market share by extending attention to rural areas. More generic product with different advertisement camping surely attract non users. This untapped source could be easily reached by FMCG manufacturing. Most of the consumers are influenced by quality of the product so the FMCG companies should strictly adhere to the quality standards. **Naidu (2004) evaluated the consumer awareness in rural markets.** He concluded that awareness of the rural consumers about the consumers movements are qualitative in character and cannot be measured directly in quantitative terms. There is no fixed value or scale which will help to measure the awareness. But the awareness has been studied with the help of their responses to various questions. Little wonder then that success has eluded most corporate in rural markets but with urban markets getting saturated and fiercely competitive, they have to look at rural markets due to the emerging potentiality in these markets. **Oza (2004) in his study "Where the FMCG market is sizzling- A Study of Rural Markets"**, examined the rural consumer's psyche for FMCG products. He concluded that using easily available technology, strong local area knowledge, a short supply chain and quality raw material regional players are giving big brands a run for their money. The regional brands are making their aggressive presence in smaller towns by participation in melas and exhibitions.

Srivastava and Kumar (2013) analysed that FMCG sector is a vital contributor to India 's Gross Domestic Product. According to his study it has been contributing to the demand of lower and middle-income groups in India. Over

73% of FMCG products are sold to middle class households in which over 52% is in rural India. Rural marketing has become the hottest marketing arena for most of the FMCG companies. The rural India market is huge and the opportunities are unlimited. After saturation and cutthroat competition in urban areas, now many FMCG companies are moving towards the rural market and are making new strategies for targeting the rural consumer. The Indian FMCG companies are now busy in formulating new competitive strategies for this untapped potential market. **Shinde Rajesh (2007)**, in his studies titled, “Recent Facets of Consumer Behaviour: A Case of Rural Market”, concluded that, India’s total population is 102crore of which 71.89crore was of rural India, constituting 70% of the total population. In spite of this fact, marketers earlier concentrated on the urban markets and scheduled their strategy accordingly. But now marketers found different strategies to penetrate in the rural segment. The pioneer corporate was HLL. Various surveys reveal that average rural household spends almost 60% of their income on the food, which is reasonably a high amount. The demand for FMCG in that way was going rapidly high as compared to the urban market. The market for FMCG is estimated at around Rs. 50,000 crores. **Ullah, Shafayet, Prince and Rozario (2012)** depicted that Fast-Moving Consumer Goods (FMCG) sector is one of the largest sectors in the economy of Bangladesh. In the last few years, the FMCG industry in Bangladesh has experienced a dramatic growth; both 51 qualitative and quantitative improvements have taken place in the consumer durables segment. FMCG in marketing means convenient and low involvement products like, salt, flours, pens, chocolates, etc. In recent years, the FMCG industry worldwide has experienced a difficult market condition. In some categories, formerly popular brands have either been deleted or squeezed between the category leaders and low-cost competitors. These factors are sales promotion, unavailability of brand, time constraint, in-store TVC, variety-seeking behaviour, product features, end of aisle display and product convenience. This study recommends focusing on three important factors, i.e., sales promotion, time constraints and unavailability of brand to smoothen the progress of the FMCG industry in Bangladesh. The FMCG industry will find better development opportunities, if the findings of this study are used as an input in its strategic decision making. **Bhattacharjee (2011)** in his study revealed that influence of media in the purchase of FMCG products seems to be similar for both the rural as well as the urban households in different income classes and types. It is found that media has considerable influence upon the rural folks. With the increasing rate of literacy, print media in the form of newspapers, magazines etc are also gaining popularity in the rural context. It is for the marketers to understand the implications of the influence of the various media and utilize the appropriate media applicable for marketing their products, especially to the rural areas.

Leahy (2008) suggested that his paper examines the concept of brand loyalty in Fast Moving Consumer Good (FMCG) markets. This study explored the consumers ‘perspective on the types of bonds that exist in FMCG markets and the role of bonds in the development of brand loyalty. The dominant conclusion arising from this study is that brand loyalty exists in FMCG markets for both cognitive and emotional reasons. Essentially this research determined that the development of brand loyalty is predicated on the development of customer-brand bonds. This research concludes that the challenge for marketers is to develop and nurture the bonds that lead to and that can strengthen brand loyalty. The research also concludes that brand loyalty studies in the future should focus on both cognitive and emotional reasons for brand loyalty and the role of bonds therein. Exploring brand loyalty in this way should assist in the analysis of and understanding of brand loyalty in FMCG markets and should consequently result in the development of effective marketing strategies designed to build brand loyalty. **Prahalad, CK. “Nobodies the New Somebodies”, Economic Times, 6th Jan, 2010, p 29 – Prahalad (27)** observed that in many products, because the unit packs are small, and even expenditures are small, if people are not satisfied, they can now switch brands. They’ll switch either if they’re not satisfied or better value is available. A lot of poor consumers are willing to pay for quality. Therefore, companies have to learn that quality is a critical component of the brand promise. That is a big shift in India for the last 7-8 years.

Patil (2016) During the last fifty years, the Indian FMCG industry has begun to take shape. From 1950 to 1980, the FMCG industry grew at a slow pace. Previously, the FMCG industry was unappealing to investors due to low purchasing power and the government's preference for the small-scale sector. However, the growth story of the FMCG sector continued after the Indian economy was deregulated in the early 1990s.

Lancaster and Withey, (2013) FMCG sector is a significant contributor to the GDP and the fourth largest sector in the Indian market. This sector generates significant income and employment opportunities in the economy, employing approximately 3 million people and accounting for approximately 5% of total employment in the

country. The FMCG sector's products are generally distinguished by a higher daily turnover of consumer-packaged goods produced, distributed, marketed, and consumed. **Dr. R Jayanthi (2017)** FMCG sector has a very bright future related developments happening in demand side, supply side and systematic drivers.

According to Crisil FMCG report, the FMCG sales in the country are likely to climb by 7-9% in terms of revenue in FY23, driven by increasing prices, while the volume growth will be restrained at 1-2%. Additionally, in the previous fiscal year, the industry had an 8.5% increase in revenues and a 2.5% increase in volume.

The Indian FMCG market has surpassed the global market, with a double-digit growth rate over the last two decades. The quick expansion in population is inversely correlated with the rise in consumer goods consumption. Similar factors include regular new product launches, increased consumer awareness of various FMCG products, rising middle-class disposable incomes, easier access to consumer goods, a noticeable shift in consumers' lifestyles in developed and developing nations, strong brand advertising and attractive price points, strong logistics and distribution channels of such companies, expansion of online commerce, and increased R&D spending by both established players and newcomers in the market.

India Brand Equity Foundation (IBEF) Mar.6, 2023- Fast moving consumer goods (FMCG) is the fourth-largest sector in the Indian economy. There are three main segments in the sector — food and beverages, which accounts for 19% of the sector; healthcare, which accounts for 31% of the share; and household and personal care, which accounts for the remaining 50% share. The urban segment contributes to about 55% of the revenue share, while the rural segment accounts for 45%. Rise in rural consumption will drive the FMCG market. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.

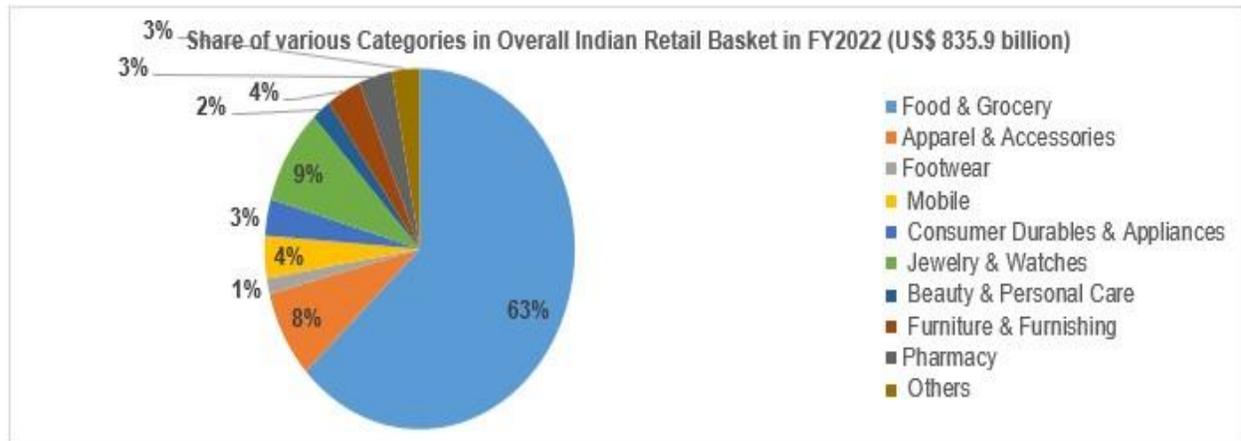
CRISIL forecasts rural consumer volume growth at 6-7% in FY25, supported by favorable monsoon forecasts, higher minimum support prices, and increased rural infrastructure spending. Urban demand is expected to remain robust, with growth rates projected at 7-8%, driven by rising disposable incomes and consumer preferences for premium FMCG products. CRISIL remains optimistic, foreseeing incremental revenue growth from a 1-2% rise in product realizations and a strategic emphasis on expanding premium offerings' sector to have sustained growth rate of 7-9% in 2024: The FMCG sector in India is poised for sustained growth with a projected expansion of 7-9% in 2024, supported by government efforts to stimulate consumption and create employment opportunities, according to a report by ICICI Lombard General Insurance.

Brief overview of FMCG-

The Fast Moving Consumer Goods (FMCG) industry or Consumer Packaged Goods (CPG) industry is mainly responsible for manufacturing, distributing, promoting and selling consumer goods. The FMCG industry in India is the fourth largest sector by economy and sales revenue. Food and Beverages accounts for 50% of the sales in the industry, Personal Care and Household Care for 30% of sales and rest 20% for Other Products. FMCG products dominating today in the market are packaged food and drinks, cosmetics, tooth cleaning products, soaps, detergents and other toiletries. The FMCG sector in India also include segments pharmaceuticals and consumer electronics. Since the sector comprise of a diverse range of different products, by which different companies dominate the market in various sub-sectors.

FMCG companies maintain intense distribution network. Companies spend a large portion of their budget on maintaining distribution networks of huge logistics and supply chain in order to smooth flow of goods from place of origin to end consumption without any hindrance. New entrants who wish to bring their products into the market need to invest huge sum of money on promoting brands. Manufacturing can also be outsourced. A recent phenomenon occurred in the industry was entry of MNC and cheaper imports. The market also faces a pressure with the presence of local players in the rural areas and state brands.

Sl. No	Category	Product
1	Household care	Fabric wash (soap, detergents) house hold cleaners (utensils cleaners, floor cleaners, air fresheners, insecticides, metal/furniture polish etc.
2	Food and beverages	Health beverages, soft drinks, cereals, bakery products, snack food, chocolates, ice cream; tea; coffee; soft drinks; processed fruits, vegetables; dairy products; bottled water; branded flour; branded rice; branded sugar; juices etc.
3	Personal care	Oral care, hair care, skin care, personal wash (soaps); cosmetics and toiletries; deodorants; perfumes; feminine hygiene; paper products



(Source: Times of India)



Source: Nielsen IQ

The fast-moving consumer goods sector in India is growing more quickly in rural as compared to urban areas. In October 2022, India's rural markets accounted for almost 35% of the overall Fast-Moving Consumer Goods (FMCG) sector sales. While the unorganized sector contributes to more than two-thirds of the total FMCG revenue sector. The rising awareness, ease of access, and altering preferences have been the primary factors promoting market expansion in rural areas. The primary driver of the FMCG market will be the growth in rural spending on essential products. In the Union Budget 2022-23, the government has used a game-changing approach to the "rural economy"

through rural women empowerment, enhanced Agri-credit aim, fisheries scheme, Agri start-ups, natural farming, and other initiatives, that could assist raise rural demand for the Indian FMCG sector. (Nielsen IQ)

The FMCG industry is said to be highly competitive industry due to its strong branding and product advertising. The manufacturers continue to put in efforts to develop and enhance their products to sustain the huge competition. Similarly, they search for strategies to stay in line with the market changes and consumer trends. In order to achieve their targeted sales goals and attain profitability goals, FMCG manufacturers continuously set their sights for new sales venues and outlets for their products. Worldwide FMCG vacancies owe to the industry's growing participation into the market.

The evolution of FMCG Market-

India has always been counted as a country with a mass population, be it in 1950's or the 21st century. However, from the 1950-1980, the investments in the FMCG sector were very limited due to low purchasing power and the government's favouring of the small-scale sector. Then Hindustan Lever Limited (HLL) was probably the only MNC company that stuck around and had its manufacturing base in India. At the time, the focus of the organised players like HLL was largely only towards the urban area. The consumers had limited choices to choose from. However, NIRMA's entry changed the whole Indian FMCG scenario. The company focused on the 'value for money' idea and made FMCG products like detergent powder very affordable even to the lower strata of the society. The lowering of the trade barriers and restrictions encouraged MNC's to come and invest in India to cater to India's large population. Rising standards of living in urban areas added with the purchasing power of rural India saw companies introduce everything from a low-end detergent to a high-end sanitary napkin. Their strategy has become two-pronged in the last decade:

(1) Invest in expanding the distribution networks which would reach far and wide across India to enable market expansion of FMCG products.

(2) Upgrade existing consumers to value added premium products and increase usage of existing product ranges. Various companies like HLL, Godrej Consumer, Marico, Henkel, Reckitt Benckiser and Colgate, were trying to outdo each other in getting to the rural consumer first. Each of them has seen growth in the retail reach in mid-sized towns, villages and other smaller parts. Some companies that have seen their sales and profits expanding in no time. There are companies, like one of those is Nestle, which have till date catered mostly to urban India but have still seen a good growth in the last decade. The company's focus in the last decade has largely been on value added products for the upper segment of the society. In last few years, even these companies have been reaching out the consumers and tapping at the slightly lower end.

One of the biggest challenges that greatly the FMCG industry was the "SACHET". Detergent companies, hair oil companies, shampoo companies, biscuit companies, chocolate companies and others, have introduced products in smaller package sizes, at lower price points in the market. This was the single big innovation to reach out new users and expand the market share for general FMCG products like detergents, soaps, shampoos and oral care in rural India, and for value added products in urban India.

FMCG sector witnessing growth in India

FMCG industry did not slow down even during recent recession, unlike other sectors, making it a recession proof sector. As it is meeting the every-day demands of consumers, it continued to grow and will further continue to grow. Market share movements indicate that companies such as Nestle India Limited and Marico Ltd, with domination in their key categories, have improved their market shares and outperformed peers in the FMCG sector. This was also due to the lack of competition in the respective categories. Single product leaders such as Britannia Industries Limited and Colgate Palmolive India Ltd aided by its innovations and strong distribution have witnessed strength in their respective categories. Strong players like Dabur in toothpaste and Godrej Consumer Products Ltd in soaps have also marked their presence in market share improvement, with revived growth in semi-urban and rural markets.

FMCG growth has a significant impact on the economic structure of the country. With the implementation GST, FMCG brands are recording higher demand-led growth. Overall, it seems positive and the current pace projects a healthier growth in both shorter and longer time-frames. Growing awareness and easier access have been the key driving force in leading this sector's growth. The current statistics show that urban areas generate the largest

revenues for FMCG businesses in India. However, in recent years with rural segment is adopting new technologies and the FMCG industry is seeing growth at a faster pace in rural and sub-urban areas.

Key driving factors for FMCG growth in India-

There are key factors which have resulted in the huge growth of the FMCG sector despite being disrupted by GST and demonetization. The major driving force behind this progress are

Increased awareness, changing lifestyle and easy accessibility are the primary drivers to lead this historic growth.

1. Organized Retail is the biggest ticket for FMCG players as they are estimated to grow at a rate of 20% year after year.
2. The growth of middle-class consumers and the greater disposable income has led FMCG companies to flourish.
3. With the emerging rural market, FMCG companies are designing products to meet the specification of rural consumers, this has led the FMCG sector to reach every nook and cranny of our country.
4. Corporate players are sensing the growing trends of FMCG in India. They are planning to increase their consumer promotion spends and ad budget. Many FMCG giants are diversifying their product base to reach a wide range of consumers. They are currently in a position to provide quality products at affordable prices.
5. With FDI and other foreign investments, Indian FMCG landscape has become an attractive sector for most foreign multinationals.
6. Technology adoption has made consumer conscious of quality and price of the product, hence the FMCG giants are facing a healthy competition to attract customer attention.
7. Increased literacy in both the rural and urban sector has resulted in the growth of income among the population. Consumers today are open to trying new things, which has resulted in changing spending behaviour.
8. With the explosion of the internet and social media platforms, consumers today are exposed to different lifestyles and demand more comfortable choices while selecting a product.

Role of rural consumers in the growth of FMCG sales in India

Changing Consumer Behaviour has not only been witnessed by urban areas but rural segments have also undergone a huge behavioural shift.

- 1) Rural Consumption rose by 9.7% in the year 2018, whereas urban consumption led to a steady growth of 8.6%.
- 2) Currently, FMCG market receives around 40-45% of its revenue through Rural segments. Current pace shows a growth rate of 15-20% in the coming fiscal year. While the growth of urban revenue is expected to remain steady at 8%.
- 3) Penetration of E-commerce and digitization has made rural population adapt technological features like credit cards, debit cards and online banking. FMCG brands are leveraging this trend to attract new consumers.
- 4) Implementation of GST has transformed logistic planning. Big FMCG and retail clients are remodelling their transportation and warehouse business models to leverage this change.
- 5) FMCG products note a 50% spend of total expenditure in rural India. With more disposable income in hand, this percentage is more likely to increase.

Key trends for the FMCG market-

1. DIGITIZATION

Increasing smartphone and Internet penetration will help people in the rural areas easily access online shopping on various E-commerce websites. Availability of easy mobile payment options has led to increase in the number of

orders from Tier II & III cities which enables people to get timely delivery at their doorstep. Digital solutions and retail intelligence platforms place the performance of a brand squarely in its hands.

2. MULTIPLE CHANNELS OF TRADE

Multiple channels of trade is helping users make purchases through platforms on which they spend a lot of time like Facebook, YouTube, Instagram etc. This has led to a more interactive and enjoyable overall shopping experience as users get the best of both shopping and entertainment together. Other than these traditional portals like Flipkart, Amazon as well as supermarket apps are also very popular.

3. D2C (DIRECT-TO-CONSUMERS) MODEL

Under D2C (DIRECT-TO-CONSUMERS) business model a company manufactures and ship its products directly to the end consumer without relying on any intermediate. It is a popular business model where buyers get their goods directly from the seller/manufacturers without the help of any middlemen. Several E-commerce websites are set for this purpose which helps buyers save money as well as time.

4. BRAND COMMUNITY

Users today can interact with other people who have bought the same product and talk at length about it. A lot of brands are devising marketing strategies to build brand community where they are target people who are interested in their products as well as have similar social, political and cultural factors. This make interaction a bit more personal than it is with customer care representatives.

5. FOREIGN BRANDS

Seeing the huge demand for the FMCG products, big foreign brands have left no stone unturned to enter the Indian market. This has forced local as well as domestic manufacturers to up their game and provide cheaper alternatives while not compromising on quality to offer the same sense of pride that owing a foreign product provides.

6. CONSUMER BEHAVIOUR

Consumer behaviour is something that has no permanent pattern as it keeps on changing. However, there are a few patterns which have been present for a long time bringing to our attention, how the consumers usually spend their money.

After analysing past consumer data as well as the latest one we came across these trends of consumer behaviour which will be prevalent throughout 2020. One of them is consumers buying combo offers and mega family packs, as it saves the cost and extra trip to the grocery store.

Other common instances of consumer behaviour are:

- Rise in demand of ready to eat snacks
- Wellness products mostly organic and premium quality products

FMCG company must be proactive in order to keep up with these trends and take the steps which ensure brand building, quality services and longevity in the market.

7. BUILDING STRATEGY AROUND CONSUMER PREFERENCE

It is very important to devise brand strategy around consumer preference as the consumers today are very informed and patient when it comes to product decision making. Users these days before purchasing the products look for the ingredients of the product as well as its carbon footprint and health benefits.

8. ATTRACTIVE MERCHANDISING

Attractive merchandising is of paramount when it comes to purchasing and selling a product. In this highly visual world consumers only go for the products which attracts them upon seeing. Once your product has caught their eye they will certainly try it and if they like it they will go for it again so make sure the packaging on display is impeccable.

9. OPTIMIZING MARKETING EFFORTS

An adequate digital strategy is needed to target customers who have performed a search for products that your brand offers. With huge amount of data available, it is imperative to hire a team of professionals' analyst for analysing the current market demand of the products and then generate authentic leads to convert them into sales.

10. MARKET INTELLIGENCE & CONSUMER INSIGHTS

Any brand or company cannot sustain in the market for longer period of time if it has not done a thorough research of market and plan its operations in compliance with the market trend. A company who is aware of the prevalent pattern will mostly make decision in its benefits than otherwise. This will save them a lot of money and time as they will be able to get the right number of products and of consumers choice, out in the market for direct consumption especially if the shelf life of their products is not long.

11. RISE OF THE FMCG STARTUPS

Millennials are eclectic in their food preferences, and FMCG startups have capitalised by launching innovative products. Epigamic took off on the popularity of their Greek yoghurt range. When they introduced the product, it was unthinkable that India's dairy market would welcome anything other than the staples of milk and sour curd. FMCG giants thus far have failed to either identify or capitalise on the changing trends of millennials. A while ago, Nestle had jumped on the Greek yoghurt bandwagon but was unable to execute in a manner that was visible to millennials via online channels. More recently, they have launched a series of ethnic foods and hopefully this time around they will take their audience more seriously.

Future prospects/opportunities of the FMCG industry

1. The future of FMCG will include a greater emphasis on natural, organic and functional foods.
2. With the MAKE IN INDIA concept initiated by the MODI government, it provides for a green signal to the FMCG sector.
3. With the increase in the population of the country and rise in income levels, the more demand for the goods will be satisfied with sufficient supply.
4. Rise in income level provides for increase in the purchasing power of the consumers, making a way for increased consumption and more demand for the consumer products.
5. The growth potential of the sector is huge as a reason of rise in per capita income and awareness.
6. Smaller packs and lower price of the goods are likely to drive the market potential up for the major FMCG products.
7. Larger domestic market with more population of the median age 25, which means the growth of youth population is likely to drive the demand for the innovative products.

8. Government initiatives such as Gati Shakti and Amrit Kaal Vision 2047 have further bolstered the sector's foundation, contributing to a reduced risk index from 68 to 66, indicating improved market stability and growth prospects.

Conclusion-

FMCG products have become an integral part of human life. These goods are consumed on a daily basis and have a high return. The Indian FMCG sector is the fourth largest sector of the economy with a total market size of over US \$13.1 billion. The sector is Having a strong MNC presence and is characterized by well established distribution network, lower operational cost and intense competition. India has a competitive advantage in the stream in terms of availability of raw materials, cheaper labour costs and presence across the entire value chain. The penetration level to increase the market share comes with the opportunity to tap the market potential particularly in the middle class and the rural segments in the categories like jams, toothpaste, skin care, soaps, detergent, shampoo, etc.

FMCG companies play a vital role in people's daily life starting from tooth paste to household care items. FMCG companies have dominated the Indian market past decades and are all set to grow further. Indian FMCG industry witnessed a growth ever since its establishment. Further the industry will keep its mark in growth path due to the ever-increasing demand for consumption and also demand for these goods remains more or less constant irrespective of recession or inflation. The FMCG sector saw more or less growth even during the time of economic slowdown, the reason being the demand for everyday consumed goods, where the consumer happens to buy the products that are essential for a day-to-day life, no matter what the reason or situation be. This made the industry a less hit sector during the period of inflation or depression. In the current scenario, there is an improvement in the living standard of people in the society, it is resulting in an increase in their purchasing power and consumption level.

One of the major challenges in FMCG industry is, consumer moves to other products. Consumers can stay brand loyal for a short period but in the long run, they shift to a different brand because of the change in their taste & preferences, availability of other value-added products, substitute from another company, more features, affordable price, accessibility, income and more. FMCG should focus in all the above areas mentioned in order to hold customers for short as well as in long run. The companies should utilize the opportunities like increasing consumer income, changing their life style, taste and preferences, aspiring rural consumers for the faster growth of FMCG industry.

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