Customer Taste & Buying Behavior for FMCG Products  
A Special Reference to the Rural & Sub-Urban Area of Lucknow City of Uttar Pradesh

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Abstract

The sub-urban market is one of the best opportunities that FMCG companies trying to cash now a days and the companies tries to put their effort to get the best results from these companies. For any of the common family in these areas a major portion of the monthly budget of each household is reserved for FMCG products. The amount of these products distributed in the market against FMCG products is very high, as the compared with the number of products the customers consumes. The condition of competition in FMCG sector is extremely high resulting in extreme pressure on margins of profit.

In this paper my efforts are to understand the buying behavior of the consumers towards FMCG products as there was a time when the FMCG companies ignores the consumers, they just want to produce and sell the product as and where basis they have no interest to produce or sell products on consumer basis or their interests. As per studies it seems that it is the initial stage for the Indian FMCG sector and as per as the time had passed, the strategy and marketing style of FMCG companies had been changed. As the title of my paper reflects, my focus area is more and more sub-urban areas of the Lucknow city and nearby areas of the Lucknow. I had tried to understand the market of FMCF sector in Lucknow and what the customer says for the products and the one most important aspect that whether the customer are loyal for the company or products or not?

Keyword : FMCG, Customer Behaviour, Taste and preferences, Consumer Loyalty etc

1. Introduction

The rural and sub-urban market is the one of the best opportunity for the FMCG sector in the India. It is the broad and marginally competitive market for the FMCG sector. As the earning level of the rural customers increasing, the demand of FMCG products increased continually. The other name of FMCG is consumer packaged goods. Merchandised items this group include all consumables items (other than groceries and grains) and customers purchase these items at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, tooth paste, shaving products, shoe polish, packaged food stuff, household accessories, extends to certain electronic goods. These products are for daily consumption & have a high return as for producer.

A main part of the monthly funds of each family is reserved for FMCG products. The amount of these products distributed in the market against FMCG products is very high, as the compared with the number of products the customers consumes. The condition of competition in FMCG sector is extremely high resulting in extreme pressure on margins of profit. The FMCG companies keep a strong delivery network. The FMCG companies spend a huge portion of their financial plan on sustaining such intense distribution networks. New players who want to distribute and sell their products in the national level need to invest huge money on promoting brands along with company. Manufacturing or production can be outsourced. A current fact in the FMCG sector was entry of multinationals giant and cheaper imports of products. The whole market is becoming more pressurized with presence of local players in rural areas and state brands.
2. Overview of FMCG Sector

FMCG is a short form for Fast Moving Consumer Goods, which means the things that we mostly purchased from local market, supermarkets, departmental stores on daily basis, these things have high turnover & are relatively cheaper.

3. Sector’s Outlook

The FMCG sector is the fourth major sector in the India if we go with the sector-wise comparison in Indian Economy with a total market size of Rs.60,000 crores. The FMCG sector produces the 5% of total labour (factory) employment in the India and is producing employment for three million people, especially in small cities sub-urban areas and rural India.

According to a CII – A T Kearney Report, the FMCG sector in India is expected to increase at a compounded growth rate (CAGR) of 12% to a size of Rs.3,00,000 crores by 2020 from Rs. 2,15,000 crores at present. With a growth rate of 52.5%, the Bombay Stock Exchange (BSE) the FMCG index has, during the last financial year perform better than the sensex, which could manage a growth of 41% only. A well conventional delivery network, intense competition between the organized & unorganized segments of FMCG market, low functioning (operational and establishment) costs, strong branding defines the market. [1]

The large number of consumers, particularly in rural and sub-urban sector, and the increasing middle class opens the huge opportunities for the FMCG companies to pick the customers to the branded products and try to provide new generation products. The monotonous performance of the sector in the last some years was because of price war and increase in raw materials cost. However, in the Financial Year 2015-16, the FMCG sector witnessed a double-digit improvement in the profits and revenues. The sector has recorded an up-stream in growth across all categories of the products, such as health supplement, shampoo, toothpaste, hair oils, and mosquito repellent, as shown in table below:

<table>
<thead>
<tr>
<th>Sales Value Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Supplement (Chyawanprash)</td>
</tr>
<tr>
<td>Shampoo</td>
</tr>
<tr>
<td>Toothpaste</td>
</tr>
<tr>
<td>Hair Oils</td>
</tr>
<tr>
<td>Mosquito repellent</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>FMCG Sector Financials</th>
<th>In millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31-03-2016</strong></td>
<td><strong>31-03-2015</strong></td>
</tr>
<tr>
<td>Net Sales</td>
<td>164,196</td>
</tr>
<tr>
<td>Sales Growth</td>
<td>10.8%</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>19,595</td>
</tr>
<tr>
<td>PAT Growth</td>
<td>16.6%</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>74,746</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>662,540</td>
</tr>
<tr>
<td>Return on Capital Employed (ROCE)</td>
<td>47.1%</td>
</tr>
<tr>
<td>P/E Ratio</td>
<td>26.7%</td>
</tr>
</tbody>
</table>


4. Scope of the FMCG Sector in India
The Indian FMCG sector has a huge market size of approx US $23 billion. The FMCG sector is expected to increase at over 60% by 2020. That will turn into an annual growth rate of 10% per annum over a period of 5 years. It is estimated that the FMCG sector will grow from approx Rs. 56,500 crores in 2017 to Rs. 98,100 crores in 2019. It is estimated that Hair care, household care, male grooming, female hygiene, & the chocolates & confectionary categories are to be the fastest growing segments, says Hongkong and Shanghai Banking Corporation (HSBC) Report 2016. Although the FMCG sector witnessed a slower growth in 2012 – 14, it has been shown to make a very well recovery since then. For example, Hindustan Unilever Limited (HUL) has shown a strong growth in the last years. An estimated double-digit growth over the next few years shows that the good times are likely to continue for FMCG sector.

5. Growth Scenario

With the 12.2% of the world population living in the villages of India, the Indian rural and sub-urban FMCG market sector is something that no one can ignore. More and more focus on farming sector will improve the rural incomes, hence providing improved growth scenario to the FMCG companies. Better infrastructural facilities will also improve the supply chain of the companies. The FMCG sector will also benefited with growing requirement in the marketplace. Due to the low per capita expenditure for almost all the variety of the products in the country, FMCG companies have great possibilities for growth. And if the companies could change the mindset of the consumers, i.e. if they could be able to take the customers to branded merchandise and provide new generation products, they would be able to generate higher expansion in the future. It is expected that the rural and sub-urban income will be improved in 2019, which will boost purchasing power in the rural customer. However, the requirement in urban areas for the FMCG products would be the main growth indicator and driver for the long term. Even, increasing urban population, with increase in per capita income levels and the availability of new categories of products, would help the urban areas to maintain the position of FMCG companies in terms of consumption. Present time, urban India responsible for 66% of total FMCG products utilization, with rural and sub-urban India is responsible for the rest 34%. However, rural India responsible for more than 40% utilization in major FMCG products of different categories such as personal care, fabric care, and hot beverages. In urban areas of India, home and personal care category, including skin care, household care and feminine hygiene, will keep growing at comparatively striking rates. Within the foods & beverages segment, it is expected that processed foods, bakery, and dairy are long-term growth categories in both rural and urban areas.

Competitiveness of Indian Companies and Comparison with the World Markets

The following factors make India as a competitive performer in FMCG sector in world:

5.1. Availability of Raw Materials & Resources

Because of the different agro-climatic and weather conditions in India, there is a huge raw material market is available and is suitable for food processing industries. India is the largest producer agro-based products as livestock, milk, sugarcane, coconut, spices and cashew and in the same time India is the second largest producer of rice, wheat and fruits & vegetables. India also produces some other important products like caustic soda and soda ash, which are essential for the manufacturing of soaps and detergents. The availability of these kinds of raw materials gives India the location advantage.

5.2. Low Labor Cost Comparison
Low labor cost provides India a competitive advantage in world scenario. The labour cost of India is the lowest in the world, after China & Indonesia. The low labour costs provides the advantage of minimum cost of production. Many foreign companies and MNC’s established their plants in India for production to outsource for domestic and export markets. (Diagram – 16)

5.3. Presence of Companies Across the Value Chain

Several Indian companies are working across the value chain of FMCG sector in India, starting from the supply of raw materials to final packaged goods in the food-processing sector. It brings India as a more cost competitive advantage. Take an example, Amul supplies milk as well as dairy products like cheese, butter, etc.

6. Top Players in FMCG Sector\textsuperscript{[10]}

1. Hindustan lever limited (HLL)
2. ITC (Indian Tobacco Company)
3. Patanjali Ayurved Ltd.
4. Nestle India
5. GCMMF (AMUL)
6. Dabur India
7. Asian Paints (India)
8. Cadbury India
9. Britannia Industries
10. Procter & Gamble Hygiene & Health Care
11. Marico Industries

7. Secondary Players\textsuperscript{[10]}

1. Colgate-Palmolive (India) Ltd.
2. Godrej Consumers Product Ltd.
3. Nirma Ltd.
4. Tata Tea Ltd.
5. Parle Agro
6. H. J. Heinz

8. Review of Literature

Everyone is now aware that rural and sub-urban market is one of the best opportunities for the FMCG sector in India. Logically we can say that rural market is future of FMCG.

8.1. Basu Purba (2004), recommended that the lifestyle and living standard of rural and sub-urban consumers is changing very fast way. Rural market and the marketing strategy become the recent marketing business-word for most of the FMCG players. She included the different strategies of FMCG companies for acquire rural market like Titan’s Sonata watches (inexpensive watches), Coco Cola’s 200 ml bottle (less expensive), different strategies of HUL and Marico etc. She takes into importance the study of National Council for Applied Economic Research (NCAER). The NCAER prediction says that the number of middle and high-income households in rural and sub-urban area is expected to grow from 140 million to 190 million by 2010. The same is predicted for urban market as it is expected to grow from 65 million to 79 million. Thus, the total size of rural India is expected to be double that of urban India.\textsuperscript{[2]}
8.2. **Tognatta Pradeep (2003)**, recommended that, the economic growth of Indian agricultural sector in last few years was over 10%, as compared with 8.5% in the industrial sector in India. This mean a huge market opportunity exist for the marketer to meet the increasing demand. Some factors for examples village psychology, intense distribution network and awareness about the market are few basics for making a impact in the rural and sub-urban markets. The model of Anglo-Dutch multinational company Unilever Group, which has exploits a century-long presence in India through its subsidiary unit Hindustan Lever Ltd (HLL). The Hindustan Lever was the first company that popularized the idea of selling the products in small packages. The company's sachets of detergent and shampoo are in great demand in Indian rural areas. Another company name Britannia with its low priced Tiger brand biscuits has become success story in rural marketing.\(^3\)

8.3. **Aithal, K Rajesh (2004)**, recommended that rural markets are very important, productive and growing market for most products and services in India including telecom. The main characteristics of the market in terms of low income and extended population and very limited purchasing power make it a complicated market to capture. The 4 A’s model of marketing; Availability, Affordability, Acceptability and Awareness provide us with a way to develop suitable strategies to tackle the marketing issues for marketing of telecom services in rural areas. Some successful cases like the Grameen Phone in Bangladesh and Smart Communications Inc in Philippines also provide us some guidelines to tackling the issue.\(^4\)

As per my area of the research, it is an elaborated study of different FMCG products consumed by rural consumers. This research will provide detail information about consumer taste & preferences towards a good number of FMCG products and that is unique from other researches.

9. **Research Objectives**

- To evaluate the demand pattern of FMCG products in the suburban market.
- To evaluate the amount of household income spent on the consumption of FMCG products by a common family.
- To understand the brand image of the products in the mind of the consumers.

10. **Research Methodology**

10.1. **Data Collection**

10.1.1. **Sample Unit:**
1. working people (including men & women)
2. college students
3. school students
4. senior citizens

10.1.2. **Sample Size:**
1. working people: 39% (upto age group 55 yrs)
2. college students: 25% (upto age group 24 yrs)
3. school students: 18% (upto age group 20 yrs)
4. senior citizens: 18% (above the age of 60 yrs)

10.1.3. **Sampling Region**
I have selected the region for sampling Lucknow, the Capital city of Uttar Pradesh and nearby places as my area of study. I have chosen Gomti Nagar, Indira Nagar, Mahanagar, Aliganj and for sub-urban areas I have selected the areas of Bakshi Ka Talab, Sidhauri, Itaunja, Unnao, Barabanki and Sitapur (the major portion of the data) as my areas of research. In these areas I could easily meet working people (both male & female), school students, college students & senior citizens.

10.1.4. Sampling Procedure

I have taken stratified random sampling as the sampling procedure.

10.1.5. Data Collection Method

10.1.5.1. Primary Data: it is collected with the help of a self administered questionnaire. This objective of questionnaire was to gather information related to various Branded products in FMCG segment.

10.1.5.2. Secondary Data: it is collected with the help of books, research papers, magazines, news papers, journals, internet, etc.

10.2. Research Instruments

10.2.1. Questionnaire Design

As the questionnaire is self administrated, I tried my level best that the survey is kept simple and user friendly. Words used in questionnaire are readily understandable to all respondent. I also tried to avoid the technical jargons to ensure that there should not be any confusion for respondents.

11. Analysis

1. Which Bath Soap You Prefer To purchase?
The reaction of respondents towards various bath SOAP brands can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Lux</th>
<th>Dettol</th>
<th>Lifebuoy</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>36</td>
<td>22</td>
<td>18</td>
<td>24</td>
</tr>
</tbody>
</table>

Interpretation : In the survey, it is easily concluded that the product of HUL, Lux was high in demand. Lux, covers 36% of the total market share of Soap market. After Lux soap, the some other brands (Except Lux, Dettol, Lifebuoy) covers 24% of the total market share and then this is followed by Dettol, specially for Health & Hygiene the product of Reckitt Benckiser with a market share of 22%, and finally followed by Lifebuoy, the product of HUL again with a market share of 18%.

(Diagram – 1)

2. Which Pack Of Soap You Would Prefer To Buy?

To determine the income level of the consumers, it was essential to make a segment of the consumers on the basis of their demand for the various packs of soap available in the market. The responses of respondents towards several packs of soap can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Packs of soaps</th>
<th>Single pack</th>
<th>Family pack (3 in1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>56</td>
<td>44</td>
</tr>
</tbody>
</table>
Interpretation: In the survey, I tried to create a segment amongst people, with below average household income, average household income & above household income. This distribution can be done on the basis of the daily expenses that people make. 56% of consumers demand single pack, while 44% of the consumers demand family packs i.e. 3 in 1 pack. (Diagram – 2)

3. Which Tea You Prefer To Purchase?

The reaction of respondents towards various tea brands can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Tata Tea</th>
<th>Brooke Bond</th>
<th>Taj Mahal</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>32</td>
<td>28</td>
<td>18</td>
<td>22</td>
</tr>
</tbody>
</table>

Interpretation: In the survey, it can easily be analysed that Tata Tea, the product of TATA has a market share of 32% of total market. Then it is followed by, Brooke Bond, with a market share of 28%. Other brands (Except Tata Tea, Brooke Bond, Taj Mahal) had 3rd position with a market share of 22% and finally followed by Taj Mahal, the product of HUL which holds 18% of the market share. (Diagram – 3)

4. Which Tea Pack of Tea would You Prefer To Use?

To find out the income level of the consumers, it was necessary to distribute the consumers on the basis of their demand for the various packs of Tea brands available in the market. However, the reaction of respondents towards various packs of tea can be categorised in the following manner:

<table>
<thead>
<tr>
<th>TEA packs</th>
<th>Sachet</th>
<th>Medium pack</th>
<th>Large pack</th>
</tr>
</thead>
<tbody>
<tr>
<td>percentage</td>
<td>48</td>
<td>32</td>
<td>20</td>
</tr>
</tbody>
</table>

Interpretation: In the survey I tried to differentiate amongst the respondents, with below average family income, average family income & above family income. This classification was done on the basis of the daily expense that people make. However, it was concluded that sachets were most commonly used by the people i.e., 48% consumers demand for sachet packs. 32% consumers demand medium pack while only 20% consumers demand large pack. (Diagram – 4)

5. Which Tooth Paste Would You Prefer To Buy?

In the early years, the rural and sub-urban consumers preferred tooth powders, datoons etc. But from the last few years, the taste & preference of consumers towards toothpaste has been changed. Now days a large number of toothpastes of different companies are sold in rural market. However, the responses of people towards various Tooth Pastes can be categorised as follows:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Pepsodent</th>
<th>Colgate</th>
<th>Close Up</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>27</td>
<td>35</td>
<td>22</td>
<td>16</td>
</tr>
</tbody>
</table>

Interpretation: In the survey, it could be easily concluded that Colgate, the product of Colgate Palmolive is the market leader, which covers 35% of the total market. After the Colgate, Pepsodent, the product of HUL is securing it’s position as demanded by the customers, which covers 27% of the market share. This Share is followed by Close – Up, the product of HUL is demanded by the customers, which covers 22% of the market share. Finally followed by others brands (Except Pepsodent, Colgate, Close - Up), which covers 16% of the total market share. (Diagram – 5)

6. Which Pack of Toothpaste Would You Prefer To Purchase?

To determine the income level of the consumers, it was required to make segment of the consumers on the basis of their demand for the various packs of Tooth Paste brands. However, the
responses of people towards various Tooth Paste packs can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Tooth paste pack</th>
<th>Small pack</th>
<th>Medium pack</th>
<th>Family pack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>34</td>
<td>48</td>
<td>18</td>
</tr>
</tbody>
</table>

**Interpretation**: In the survey I tried to differentiate amongst the people, with below average family income, average family income & above family income. This classification was be done on the basis of the daily expenses that people make. However, it was concluded that 34% consumers demand small packs. 48% consumers demand medium packs. 18% consumers demand large pack. (Diagram – 6)

7. **Which Detergent Powder Would You Prefer To Use?**

The responses’ of people towards various Detergent brands can be distributed in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Surf</th>
<th>Rin</th>
<th>Tide</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>27</td>
<td>35</td>
<td>22</td>
<td>16</td>
</tr>
</tbody>
</table>

**Interpretation**: In the survey, it was easily concluded that RIN Detergent Powder, the product of HUL captures the mega share of the market i.e. 35% of the total market share. This share is followed by Surf, the product of HUL which has a market share of 27%. And this share is followed by Tide, the product of Procter & Gamble which has a market share of 22% and finally followed by other brands (Except Surf, Rin, Tide) which captures 16% of the market share. (Diagram - 7)

8. **Which Pack of Detergent Would You Prefer To Buy?**

To determine the income level of the consumers, it was required to distribute the consumers on the basis of their demand for the various packs of Detergent brands available in the market. However, the responses of people towards various Detergent packs can be tabulated in the following manner:

<table>
<thead>
<tr>
<th>Detergent Packs</th>
<th>Sachet</th>
<th>Medium Pack</th>
<th>Family pack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>43</td>
<td>27</td>
<td>30</td>
</tr>
</tbody>
</table>

**Interpretation**: In the survey I tried to differentiate amongst the people, with below average family income, average family income & above family income. This classification was done on the basis of the daily expenses that people make. However, in the result it was found that 43% consumers demand sachet packs and 30% consumers demand family packs while 27% consumers demand medium packs. (Diagram – 8)

9. **Which Shampoo Would You Prefer To Buy?**

The reaction of respondents towards various Shampoo brands can be tabulated in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Clinic Plus</th>
<th>Sunsilk</th>
<th>Head &amp; Shoulders</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>33</td>
<td>25</td>
<td>28</td>
<td>14</td>
</tr>
</tbody>
</table>

**Interpretation**: In the survey, it was easily concluded that Clinic Plus, the product of HUL, covers the mega portion of the market with a market share of 33%. This brand is followed by Head & Shoulders, the brand of Procter & Gamble which holds 28% of the market share. Head & Shoulders is followed by Sunsilk, the brand of HUL which holds 25% of the market share and finally followed by other brands (Except Clinic Plus, Sunsilk, Head & Shoulders) with a market share of 14%. (Diagram – 9)
10. Which Pack of Shampoo Would You Prefer To Purchase?

To determine the income level of the consumers, it was required to make segments of the consumers on the basis of their demands for the various available packs of Shampoo brands in the market. However, the responses of people towards various Shampoo packs can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Shampoo Packs</th>
<th>Sachet</th>
<th>Small Pack</th>
<th>Medium Pack</th>
<th>Family Pack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>23</td>
<td>32</td>
<td>28</td>
<td>17</td>
</tr>
</tbody>
</table>

**Interpretation** : In the survey I tried to differentiate amongst the people, with below average family income, average family income & above family income. This classification was done on the basis of the daily expenses that people make. In the result 32% consumers demand Small Packs while 28% consumers demand medium pack and only 17% consumers demand large packs. (Diagram – 10)

11. Which Biscuits You Prefer To Purchase?

The responses of respondents towards various Biscuits brands can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Marie Gold</th>
<th>Good Day</th>
<th>Parle G</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>24</td>
<td>38</td>
<td>21</td>
<td>17</td>
</tr>
</tbody>
</table>

**Interpretation** : In the survey, it was easily concluded that Good Day, the product of Britannia was the major player of the market and holds a major market share of 38%. This result is then followed by Marie Gold, another product of Britannia which holds 24% of the market share. After that, Parle-G, one of the oldest biscuit in India and the product of Parle, holds 21% of the market share. This result is finally followed by other brands (Except Marie Gold, Good Day, Parle- G) which hold a market share of 17%. (Diagram – 11)

12. Which Hair Oil You Would Prefer To Use?

The responses of people towards various Hair Oil brands can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Parachute</th>
<th>Dabur Amla</th>
<th>Dabur Vatika</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>37</td>
<td>29</td>
<td>19</td>
<td>15</td>
</tr>
</tbody>
</table>

**Interpretation** : In the survey, it was easily concluded that Parachute was the major player, the Merico company based brand captures 37% of the total market share. This result is followed by Dabur Amla, the brand of Dabur which captures 29% of the total market share. This result is followed by Dabur Vatika, another brand of Dabur which captures 19% of the market. And finally, followed by other brands (Except Parachute, Dabur Amla, Dabur Vatika) captures 15% of the market share. (Diagram – 12)

13. Which Pack Would You Prefer To Buy?

To determine the income level of the consumers, it was necessary to make the segments to the consumers on the basis of their demands for the various packs of Hair Oil brands available in the market. The responses of people towards various Hair Oil packs can be categorised in the following manner:
<table>
<thead>
<tr>
<th>Hair oil Packs</th>
<th>Small pack</th>
<th>Medium Pack</th>
<th>Large pack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>32</td>
<td>41</td>
<td>27</td>
</tr>
</tbody>
</table>

**Interpretation**: In the survey I tried to differentiate amongst the people, with below average family income, average family income & above family income. This classification was done on the basis of the daily expenditure that people make. In the result 41% consumers demand medium packs, 32% consumers demand small pack and 27% consumers demand large packs. (Diagram – 13)

14. Which Face/Beauty Cream Would You Prefer To Use?

The responses of people towards various Beauty Cream brands can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Pond’s</th>
<th>Fair &amp; Lovely</th>
<th>Ayur</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>28</td>
<td>32</td>
<td>14</td>
<td>26</td>
</tr>
</tbody>
</table>

**Interpretation**: In the survey, it was easily concluded that Fair & Lovely was the major player in the market, this brand of HUL, holds the major market with a share of 32%. This result is followed by, Pond’s, another brand of HUL, which holds 28% of the market share. This result is followed by, other brands (Except, Pond’s, Fair & Lovely & Ayur), which were responsible for 26% of the market share. This result is finally followed by AyUR, the brand of Ayur Academy Of Natural Beauty (Aanb) which holds 14% of the total market share. (Diagram – 14).

15. Which Coffee Brand You Would Prefer To Use?

The responses of people towards various Coffee brands can be categorised in the following manner:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Bru</th>
<th>Nestle</th>
<th>Nescafe</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>26</td>
<td>32</td>
<td>32</td>
<td>10</td>
</tr>
</tbody>
</table>

In the survey, it was easily concluded that all the brands are facing intense competition. The two brands of Nestle S.A.; Nestle & Nescafe, shares equal market share of 32% each. This means that they both are in a very tough competition. This result is followed by Bru, the brand of HUL which holds, 26% of the market share. While the other brands of coffee holds only 10% of the market share. (Diagram – 15).

12. Conclusions

In this paper, it was very easily concluded that HUL was the major player and holds major portion of the FMCG market. It is the leader major segments of FMCG as hold mega shares in the soap, detergent, shampoo & cream’s category. HUL’s products are in main stream demand, and the main reason is that they provide these products in different packs. HUL consider the fact that rural consumers do not have that much income to be spent on these products. So, rural people prefer buying the small or the medium packs. But, the large or family packs are bought by few consumers, who are from well settled families.

In the category of tea, TATA was the major player and having largest market share. In the market of coffee, Nestle & Nescafe holds the major share but having intense competition. Rural customers favour the TATA because it is one of the oldest organizations & it has acquired a lot of Brand Equity which creates Brand Loyalty. In these FMCG products, rural consumers are brand loyal, because they are not at the position where they can take a risk with their tastes so they prefer sticking to one brand. These major organizations supply their products in various packs (small, medium & large), by considering the buying capacity of their consumers.
As in the category of Biscuits, Britannia was the major player. Rural customers favour Britannia because it is one of the oldest organizations in India & like TATA it has gained a lot of Brand Equity and Brand Loyalty. In case of Biscuits, consumers are brand loyal, because they do not want to take a risk with their tastes due to poor income so they prefer sticking to one brand. These organizations in biscuit segments supply their products in various packs (small, medium & large), considering the buying capacity of their consumers.

In the case of Tooth Pastes, Colgate Palmolive was the major player as it holds a major market share. The urban consumers are very concerned about their health, so any brand which suits them they will prefer sticking to that brand and important thing is that these products are also available in various packs, so rural consumers can use these brands according to their buying capacity. Another case of Hair Oils, Merico holds the major market share as Merico is a much known organization & its brand Parachute is available in all over the India. So it is a known brand for everyone, and it has created a good amount of goodwill for the organization. Consumers have confidence & trust in Parachute hair oil, therefore, they prefer buying it.

13. Suggestions & Recommendations

I would like to suggest the following points, so that the organizations can more easily sell their products to their consumers specially in rural areas:

1. The demand of a product is affected by product’s life cycle. So if the product is in the early (introduction) stage, then the product will definitely take some time to sell or to capture the market, because in the introduction stage, consumers are not aware about the brand. So, it’s the responsibility of the company to create awareness amongst the consumers.
2. Company should adapt continuous marketing strategies, in order to maintain in the market.
3. There is intense competition in FMCG sector. So, the organizations should try to have competitive advantage against their competitor’s.
4. The companies should try to reach as many people as possible, i.e. working on availability.
5. Organizations that are not much famous amongst the consumers, they should adopt Sales Promotion schemes, as their marketing strategies.
6. Most important task for the organizations is application of 4A’s strategy, i.e. (Availability, Affordability, Acceptability & Awareness).

Charts of Analysis

![Diagram 1](Demand for Soap Brand)

![Diagram 2](Demand for Pack of Soap)
Demand for Tea Brand

<table>
<thead>
<tr>
<th>Brand</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Tea Bond</td>
<td>32</td>
</tr>
<tr>
<td>Brooke Bond</td>
<td>28</td>
</tr>
<tr>
<td>Taj Mahal</td>
<td>18</td>
</tr>
<tr>
<td>Others</td>
<td>22</td>
</tr>
</tbody>
</table>

Demand for Tea Pack

- Sachet: 20%
- Medium pack: 32%
- Large pack: 48%

Demand for Toothpaste

- Pepsodent: 27%
- Colgate: 35%
- Close Up: 22%
- Others: 16%

Demand of Pack of Toothpaste

- Small pack: 34%
- Small pack: 48%
- Family pack: 18%

Demand for Detergents

- Surf: 27%
- Rin: 16%
- Tide: 22%
- Others: 35%

Demand for Detergent Pack

- Sachet: 43%
- Medium pack: 27%
- Family pack: 30%
### Demand of Shampoo
- clinic plus: 33%
- sunsilk: 28%
- head & shoulders: 25%
- others: 14%

### Demand for Shampoo Pack
- Sachet: 23%
- Sachet: 28%
- Medium Pack: 32%
- Family Pack: 17%

### Demand for Biscuit
- Marie Gold: 24%
- Good Day: 38%
- Parle G: 21%
- Others: 17%

### Demand of Hair Oils
- Parachute: 37%
- Dabur Amla: 19%
- Dabur Vatika: 29%
- Others: 15%

### Demand for the pack of Hair oils
- Small pack: 32%
- Medium Pack: 41%
- Large pack: 27%

### Demand for Cream
- Pond’s: 28%
- Fair & Lovely: 32%
- Ayur: 14%
- others: 16%
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