

MAJOR PROJECT – 4TH SEMESTER

“Formulation of Marketing Strategies and Approaches for a company Entering Indian Market in FMCG Sector.”



Delhi School of Management

Bawana Road Delhi 110042

Under the Guidance of:

Dr. Abhinav Chaudhary

Submitted By: -

Hemant Kumar

Roll No 2K21/EMBA/15

DECLARATION

I, Hemant Kumar, student of EMBA 2021-23 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report. **“Formulation of Marketing Strategies and Approaches for a company Entering Indian Market in FMCG Sector.”** is submitted in partial fulfilment of Degree of Master of Business Administration is the original work conducted by me. The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

Place:

Date :

ACKNOWLEDGEMENT

I would like to express my sincere gratitude towards my mentor, **Dr. Abhinav Chaudhary** (Delhi School of Management, DTU) for her support and valuable guidance throughout the duration of the project. I thank her for the constant encouragement and support at every stage. I also thanks to her for providing me with a goal-oriented approach towards this project.

My sincere gratitude goes out to my colleagues whose participation in the project gave many valuable inputs for its completion.

Hemant Kumar
(2K21/EMBA/15)

Contents

Executive Summary	5
1.0 Introduction to FMCG: -	5
1.1 The Fast-Moving Consumer Goods Industry	6
1.2 Fast-Moving Consumer Goods and Ecommerce.....	6
1.3 Consumer Packaged Goods.....	7
1.4 Types of Consumer Goods	7
1.5 Largest Fast-Moving Consumer Goods Companies	7
1.6 Economy contribution of FMCG in India	8
1.7 Growth in FMCG sector:-	10
1.8 Government initiative: -	11
1.9 Investments: -	14
1.10 Background: -	20
1.11 Objectives:	20
1.12 Need of study:.....	21
1.13 Abstract:	21
1.15 Current Situation FMCG market.....	22
1.16 Future FMCG Market:	24
1.17 Marketing Strategies introduction: -	26
1.18 E.P.R.G Approach: -	27
2.0 Methodology	29
2.1 Source of Data	29
2.2 Survey Questionnaire: -.....	29
3.0 Survey Outcome: -	32
Limitations of the Study: -.....	44
4.0 Conclusion: -	45
5.0 References: -	47

Executive Summary

Consumer behaviour towards FMCG market in India has been a topic of interest for marketers and researchers for a long time. FMCG (Fast Moving Consumer Goods) are products that are consumed on a daily basis and have a short shelf life. These products include food and beverages, personal care products, household items, and other consumables.

India is a vast country with a diverse population, and consumer behaviour varies across different regions and socio-economic groups. However, there are some common trends that can be observed in the FMCG market in India. FMCG market in India is a highly competitive space, but with the right marketing strategies and approach, upcoming companies can carve out a successful niche for themselves. The research conducted in this report highlights that there are several key marketing strategies that companies can employ to gain a foothold in this market and grow their brand.

1.0 Introduction to FMCG: -

Understanding Fast-Moving Consumer Goods (FMCG) Goods and services are commodities purchased for consumption by the average user. They are divided into three categories: durable things, goods products, plus operations. Durable items have quite an economic life of up to three years, while non-taxable things have a life of less of two years. Fast-moving product lines are the most common kind of goods. They are considered nondurable given that they are consumed rapidly and have a short shelf life.

1.1 The Fast-Moving Consumer Goods Industry

A combination of factors, including the high turnover of low-cost, high-demand goods, has made this industry not only huge, but also fiercely competitive. Some of the world's biggest corporations compete for market share in this industry, like Tyson Companies, Coca-Cola, Heineken, Procter & Gamble Oreo, McDonalds, and Danone. To entice and attract consumers, these enterprises must focus their advertising strategy on quick retail products.

As a result, packaging is an important element of the supply chain. Secondary and third-party unpacking are often required by the distribution and logistics architectures to boost productivity.

The unit set or principal packaging is essential for preservation for longevity, as well as providing customers with information and sales incentives.

1.2 Fast-Moving Consumer Goods and Ecommerce

Consequently, online purchases are on the increase since this offers benefits those traditional retailers lack, also including distribution, a wide selection, at low prices. In research by Nielsen, the majority of the purchased items online are connected to tourism, recreation, or durable goods, including fashion and technology. Nonetheless, the shopping online or goods and other consumables is expanding as businesses rethink the capacity of delivery systems and shorten late deliveries. While the - anti group may continue to exceed consumers in terms of quantity, transit efficiency has been enhanced. led to a rise in the usage of commerce channels for purchasing fast-moving consumer goods.

1.3 Consumer Packaged Goods

Snack - food goods and fast-moving consumer goods are identical. These are goods having a high rate of turnover, cheap pricing, or short shelf life. Low profit margins but also huge sales volumes define fast-moving consumer products. Included in this category are, for instance, soft beverages, toilet paper, and dairy goods.

1.4 Types of Consumer Goods

Durable products, non-durable goods, and services are the three primary types of consumer goods. Durable items, such as furniture and automobiles, have a minimum three-year lifespan. Frequently, economists will monitor expenditure on durable items to gauge the state of the economy.

Nondurable products are consumable things having an expiration date of less than one year. This category includes fast-moving consumer products. Intangible services or goods, such as hair or car cleanses, are also considered services.

1.5 Largest Fast-Moving Consumer Goods Companies

Nestlé, Johnson & Gamble, with Coca-Cola are three of the major manufacturers of fast-moving consumable items around the world. Nestlé, located in Switzerland, manages approximately 2,000 companies that range from vitamins to ready foods. In the field of fast-moving consumer products, there is intense rivalry for customer base. As a result, firms invest substantially in packages not just to draw customers, but also to maintain the product's shelf life & integrity.

The FMCG industry in India developed, Due to expansions and growth that was driven by consumers and rising product demand and hence prices particularly for necessities.



1.6 Economy contribution of FMCG in India

About **3 million** people are employed in the FMCG sector, which accounts for about **5% of all factory jobs** in India. Revenue growth for FMCG sales in the nation was projected to **increase by 7-9% in 2022–2023**.

Favourable government efforts and policies, a growing rural market and young population, new branded items, and the development of e-commerce platforms are some of the sector's main growth factors.

With **household and personal care accounting for 50% of FMCG sales** in India, the industry is an important contributor to India's GDP.

Due to its middle-class population, which is larger than the entire population of the United States, India is a country that no FMCG player can afford to ignore.

As more people begin to climb the economic ladder and has access to the advantages of economic advancement, **the FMCG market in India is expanding**. More importantly, India's population is getting more consumerist due to rising aspirations. Government programmes to broaden financial inclusion and create social safety nets have further contributed.

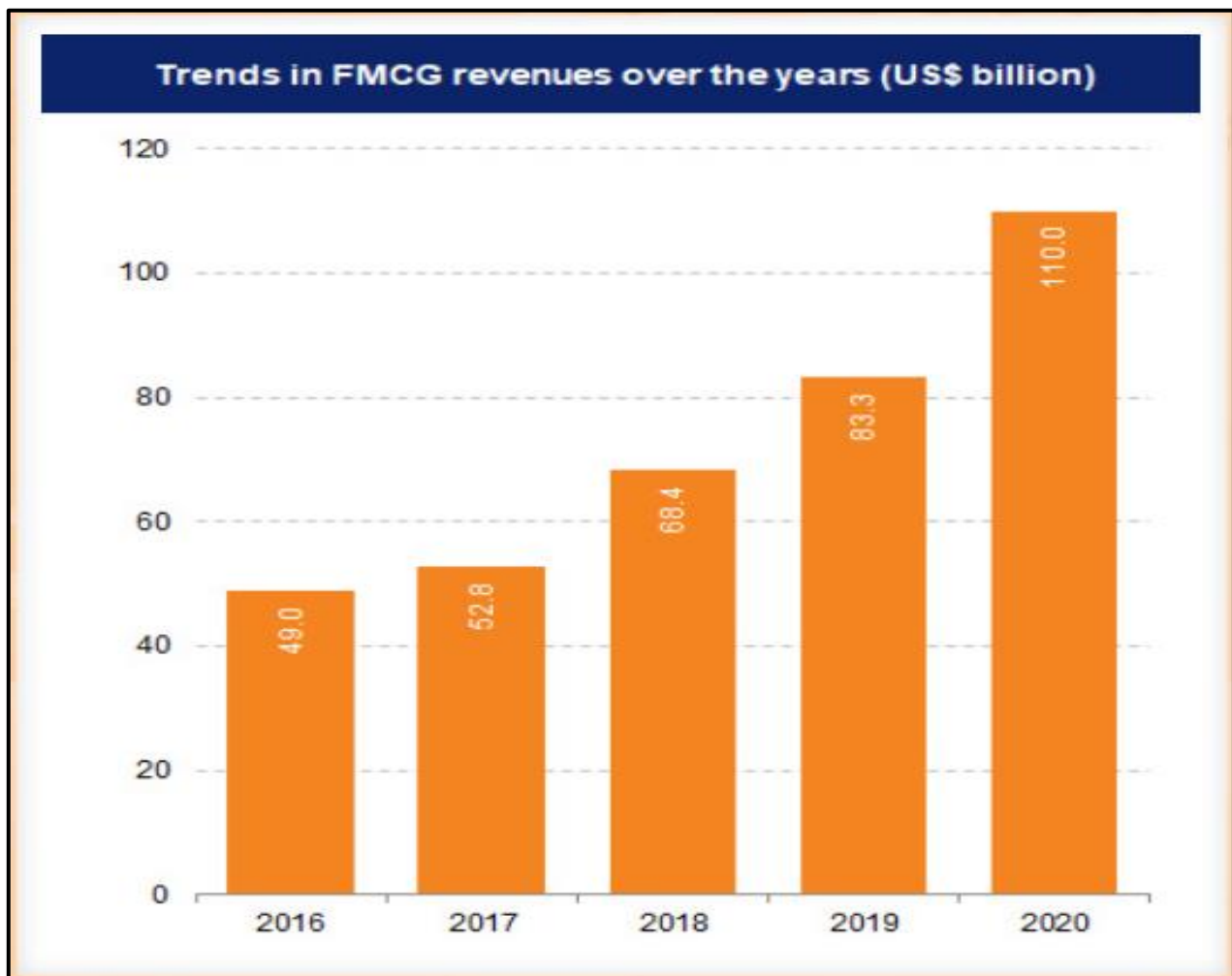
The primary growth factors for the industry have been greater awareness, better access, and shifting lifestyles.



Data Source: www.ibef.org/industry/fmccg

1.7 Growth in FMCG sector:-

FMCG is 4th largest sector in India, which is results of healthy disposal income, Rise in young population, growing consumer brand awareness. Below is the previous years trend, that how FMCG has grown YOY.



Data Source: www.ibef.org/industry/fmcg

The largest contributor to the entire revenue produced by the FMCG sector in India (which accounts for a revenue share of about 55%) is the urban segment.

However, compared to urban India, the FMCG market has risen more quickly in rural India during the past few years. The semi-urban and rural populations are expanding quickly, and 50% of all rural expenditure is on FMCG products.

1.8 Government initiative: -

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

- In 2022, Government announced that food processing industry has invested Rs. 4,900 crore (US\$ 593 million) so far under the PLI scheme which was approved in March 2021, with a budget outlay of Rs. 10,900 crore (US\$ 1.3 billion), likely to increase sales and exports of food products.



Data Source: www.ibef.org/industry/fmcb

- A total of 182 applications have been approved under the PLI scheme for the food processing industry. This includes 30 applications for millets-based products under the PLI scheme (8 large entities and 22 SMEs)
- In 2022, a total of 112 food processing projects were completed and operationalized, leveraging private investment of Rs. 706.04 crore (US\$ 85.4 million) and generating direct and indirect employment for 25,293 people.

- In order to boost the food processing sector, the Centre has permitted under the Income Tax Act a deduction of 100% of profit for five years and 25% of profit in the next five years in case of new agro processing industries set up to package and preserve fruits and vegetables.
- Excise Duty of 16% on dairy machinery has been fully waived off and excise duty on meat, poultry and fish products has been reduced from 16% to 8%.
- An amount of Rs. 1,000 crore (US\$ 120.7 million) is being set up initially in NITI Aayog for SETU for setting up of incubation centres and enhance skill development to facilitate the startup ecosystem in the country while improving the ease of doing business.
- The governments' incentives and the FDI funds have helped the FMCG sector strengthen employment, establish a more robust supply chain, and capture high visibility for FMCG brands across established retail markets.
- **Union Budget 2023-24 has allocated US\$ 976 million for PLI** schemes that aims to reduce import costs, improve the cost competitiveness of domestically produced goods, increase domestic capacity, and promote exports.
- As per the Union Budget 2022-23:
 - Rs. 1,725 crore (US\$ 222.19 million) has been allocated to the Department of Consumer Affairs
 - Rs. 215,960 crore (US\$ 27.82 billion) has been allocated to the Department of Food and Public Distribution.
 - In 2021-22, the government approved Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) with an outlay of Rs. 10,900 crore (US\$ 1.4 billion) to help

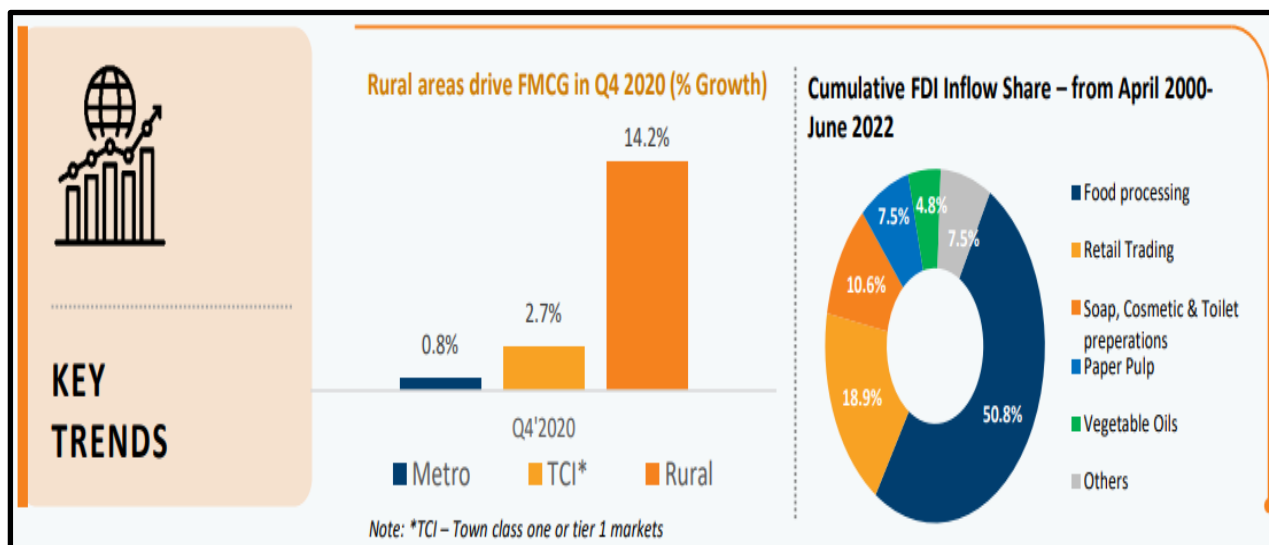
Indian brands of food products in the international markets.

- The **government's production-linked incentive (PLI) scheme** gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD) for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- Companies are counting on recent budget announcements like direct transfer of 2.37 lakh crore (US\$ 30.93 billion) in minimum support payment (MSP) to wheat and paddy farmers and the integration of 150,000 post offices into the core banking system to expand their reach in rural India.
- **The Government of India has approved 100% FDI in the cash and carry segment and in single-brand retail along with 51% FDI in multi-brand retail.**
- The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- **The Goods and Services Tax (GST)** is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under **the 18% tax bracket** against the previous rate of 23-24%. Also, GST on food products and hygiene products has been reduced to 0-5% and 12-18% respectively.
- GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are

remodelling their operations into larger logistics and warehousing.

1.9 Investments: -

- In January 2023, ITC has announced plans to acquire 100% of **Sprout life Foods (SFPL)**, a direct-to-consumer (D2C) startup and parent company of health food brand 'Yoga Bar' over a period of three to four years.
- In January 2023, ITC opened **59 acres food processing plant** in Telangana, that will make in phases biscuits, chips, noodles as well as atta that ITC markets under its popular brands, including Sunfeast and Ashirwad.



Data Source: www.ibef.org/industry/fmcb

- In December 2022, Hindustan Unilever Limited (HUL) announced its foray into the 'Health & Wellbeing' category through strategic investments in Zywie Ventures Private Limited ("OZiva") and Nutritionalab Private Limited ("Wellbeing Nutrition").

- In October 2022, Dabur India Limited acquired 51% stake in Badshah Masala Private Limited to expand its foods business to Rs. 500 Crore (US\$ 60.3 million) in 3 years and expand into new adjacent categories.
- In October 2022, Tata Consumer Products renovates and rebrands TATA Q as TATA Sampann Yumside with a new and larger range of Ready to Eat and Ready to Cook offerings.
- This would bolster employment, supply chain and high visibility for FMCG brands across organised retail markets thereby bolstering consumer spending and encouraging more product launches.
- The sector recorded an FDI of US\$ 20.84 billion between April 2000-June 2022.

Some of the recent developments in the FMCG sector are as follows:

- **In January 2023, Hindustan Unilever Limited and UNDP announced the launch of an “Inclusive Circular Economy”** project focusing on end-to-end management of plastic waste by promoting the segregation of waste at source, collection of the segregated waste.
- In November 2022, ITC collaborates with IIT Delhi to strengthen crop residue management programme in north India and to develop a Geographical Information Systems (GIS) tool to track, monitor and identify areas where stubble-burning is practised and where it is not.
- **FMCG ad volumes on television rose by 33% in the year 2021** when compared to 2019. The growth was 22% when compared to the year 2020. The top 10 advertisers on TV accounted for a 60% share of ad volumes in the year 2021 with HUL topping the list, followed by Reckitt Benckiser (India), and Brooke Bond Lipton India.

- In December 2022, Hindustan Unilever Limited announced its foray into the 'Health & Wellbeing' category through strategic investments in Zywie Ventures Private Limited ("OZiva") and Nutritionalab Private Limited ("Wellbeing Nutrition").
- **In February 2023, women wellness brand Nutrizee has introduced new flavours for its lactation-aiding bar Lactobites and nausea-inhibiting oral strips Nail the Nausea.**
- In January 2023, Heritage Foods Ltd, one of India's leading dairy players, has announced the launch of GlucoShakti, a whey-based instant energy drink that revitalises hardworking youth, when strenuous physical work drains them.
- In 2022, Britannia recently launched ragi cookies and five-grain digestive biscuits under its NutriChoice brand.
- **In 2023, BCS Globals, a UAE based food & beverage company, forays into the Indian energy drink market** with the launch of one-of-its kind brand Wox and plans to introduce a diversified product portfolio.
- **In 2023, Inspired by Japanese beauty secrets, Keomi Beauty recently kick-started its journey in the Indian beauty and skincare space**
- In December 2022, Reliance Group launched its FMCG brand "Independence" in Gujarat which will bring a wide choice of high quality and affordable products including edible oils, pulses, grains, packaged foods and other daily need products.
- Amazon aims at making all shipments net-zero carbon, with 50% net zero carbon by 2030.
- **In 2021-22, Dabur India has become a complete plastic waste neutral firm** in the country after collecting, processing and recycling around 27,000 metric tonnes of post-consumer plastic waste.

- In 2021-22, over 300 million FMCG bottles have been produced from Banyan's recycled plastic for clients that include Hindustan Unilever, Reckitt, Shell and HPCL.
- In 2021, Colgate-Palmolive, the oral care giant has launched recyclable toothpaste tubes in India as a part of its commitment to sustainability.
- **In 2021, Myntra partnered with Better Cotton Initiative** as a part of promoting sustainable cotton farming practices.
- According to a joint report released by industry body FICCI and property consultancy firm Anarock, Indian e-commerce market is expected to reach US\$ 120 billion by 2026 from US\$ 38 billion in 2021
- In October 2022, Dabur acquired 51% stake in Badshah Masala Private Limited for Rs. 587.52 crore, (US\$ 71.81 million) less proportionate debt as on the closing date, with the Badshah enterprise being valued at Rs 1,152 crore (US\$ 140.81 million).
- In July 2022, Chief Minister of Uttar Pradesh Mr. Yogi Adityanath, inaugurated HUL's ultra-modern factory in Sumerpur with a total investment of Rs. 700 crore (US\$ 88.07 million) planned by 2025.
- In July 2022, Emami acquired 30% stake in Cannis Lupus to enter into the petcare segment in India.
- In July 2022, Godrej Consumer Products Limited (GCPL), unveiled Godrej Magic Bodywash, India's first ready-to mix bodywash at just Rs. 45 (US\$ 0.57).
- In June 2022, PepsiCo India announced its expansion plans for its largest greenfield foods manufacturing plant that produces the popular Lay's potato chips in Kosi Kalan, Mathura in Uttar Pradesh with an investment of Rs. 186 crore (US\$ 23.84 million).

- In April 2022, Dabur India announced plans to induct a fleet of 100 Electric Vehicles in its supply chain for last-mile product distribution.
- In March 2022, Emami acquired Dermicool from Reckitt for Rs. 432 crore (US\$ 55.37 million)
- In February 2022, Dabur India, formed an exclusive partnership with energy provider Indian Oil, which will give Dabur's products direct access to around 140 million Indane LPG consumer households across India.
- In February 2022, Dabur India achieved its goal to collect, process, and recycle approximately 22,000MT of post-consumer plastic three months early.
- **In February 2022, Marico Ltd has announced aims to achieve net-zero emissions by 2040 in its global operations.**
- In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into the value-added categories.
- In November 2021, Unilever Plc agreed to sell its global tea business to CVC Capital Partners for EUR 4.5 billion (US\$ 5.1 billion). The business being sold—Ekaterra—hosts a portfolio of 34 tea brands including Lipton, PG Tips, Pukka Herbs and TAZO.
- In November 2021, McDonald's India partnered with an FMCG company ITC to add a differentiated fruit beverage, B Natural, to its Happy Meal, which will be available across all McDonald's restaurants in South and West India, primarily catering to children aged 3–12 years.
- In October 2021, Procter & Gamble announced an investment of Rs. 500 crore (US\$ 66.8 million) in rural India.

- In September 2021, Vahdam India, an Indian tea brand, raised Rs. 174 crore (US\$ 24 million) as part of its Series D round led by IIFL AMC's Private Equity Fund.
- In September 2021, RP-Sanjiv Goenka Group entered the personal-care segment by launching skin and haircare products, aiming at a revenue of Rs. 400-500 crore (US\$ 53.84-67.30 million) in the next 4-5 years.
- In September 2021, Adani Wilmar announced the opening of physical stores under the name 'Fortune Mart' that will exclusively sell Fortune and other Adani Wilmar brand products.
- The rural market registered an increase of 14.6% in the same quarter and metro markets recorded positive growth after two quarters. Final consumption expenditure increased at a CAGR of 5.2% during 2015-20.
- According to Fitch Solutions, real household spending is projected to increase 9.1% YoY in 2021, after contracting >9.3% in 2020 due to economic impact of the pandemic.
- The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22, according to CRISIL Ratings.

1.10 Background: -

A company named “XYZ” is a USA based organization and doing well in the US and UK market. To grow further the “XYZ” company is planning to expand its operations in the Asian market.

As a developing country, India is the first choice for the company for business and they analysed the Indian market and upon various calculations and discussions the management has concluded that they will be Investing in India.

But before going ahead, Management of “XYZ” knows very well that Indian market, which is looking lucrative to invest, is not cake walk actually. They must be very cautious in every strategy and approach. Therefore, management has asked a research firm to prepare a report on the Strategies (marketing Perspective) and approach among E.P.R.G framework which “XYZ” is going to follow to get successful in foreign market (i.e., India).

1.11 Objectives:

The broad objective of this project is to formulate: -

- Marketing Strategies to enter Indian market with good business.
- Approaches to implement for long term business (EPRG).

The company is major player in FMCG in USA & UK market.

1.12 Need of study:

The “XYZ” company is planning to enter Indian market due to various opportunities available to them. But to enter a foreign market takes a huge investment and risk. And to sustain in such a competitive market they need a strong marketing strategies and approaches to establish themselves. To understand the consumer behaviour in India towards FMCG products in market and what Indian customer is expecting from a new brand. So that the “XYZ” company will be fully prepared and equipped with strategies to establish into Indian market.

1.13 Abstract:

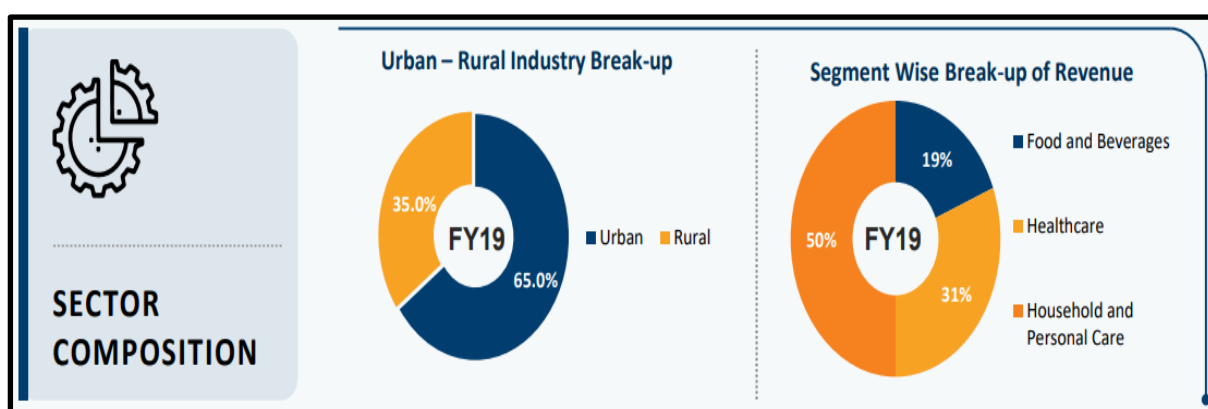
The Purpose of this project is to find out the marketing strategies to successful entry into the Indian market. Also, the company is also interested in doing the research on the analysis of the approach to be used to handle Indian business smoothly and make it a success.

The major challenges are as follows: -

- The presence of the giant players in Indian market having good customer base and good customer perception, like P&G, Unilever etc.
- As a new player, earning the trust of the people and establish as one of the major players in market.
- Setting up of the Supply Chain, Infrastructure, Office, Employee in India and to create value, build a competitive infrastructure.
- Mode of Entry: FDI, Major investment and risk. (Greenfield Project).
- For handling all above issues the company needs a strong marketing strategy and approach to establish and survive in Indian market.

1.15 Current Situation FMCG market

- FMCG market reached US\$ 56.8 billion as of December 2022. Total revenue of FMCG market is expected to grow at a CAGR of 27.9% through 2021 to 2027, reaching nearly US\$ 615.87 billion.
- In 2022, urban segment contributed 65% whereas rural India contributed more than 35% to the overall annual FMCG sales.
- Good harvest, government spending expected to aid rural demand recovery in FY24.
- The sector had grown 8.5% in revenues and 2.5% in volumes last fiscal year. In the January-June period of 2022, the sector witnessed value growth of about 8.4% on account of price hikes due to inflationary pressures.



Data Source: www.ibef.org/industry/fmcg

- In Q2, CY22, the FMCG sector clocked a value growth of 10.9% Y-o-Y — higher than the 6% Y-o-Y value growth seen in Q1.
- Indian food processing market size reached US\$ 307.2 trillion in 2022 and is expected to reach US\$ 547.3 trillion by 2028, exhibiting a growth rate (CAGR) of 9.5% during 2023-2028.

- **Digital advertising will grow at 14.75% CAGR to reach Rs. 35,809 crore (US\$ 4.3 billion) by 2023**, with FMCG industry being the biggest contributor at **42% share** of the total digital spend.
- **India includes 780 million internet users**, where an average Indian person spends around 7.3 hours per day on their smartphone, one of the highest in the world. Number of active internet users in India will increase to 900 million by 2025 from 622 million in 2020. In 2021, India's consumer spending was US\$ 1,891.90 billion. Indian villages, which contribute more than 35% to overall annual FMCG sales, are crucial for overall revival of the sector.
- **E-commerce now accounts for 17% of the overall FMCG consumption among evolved buyers**, who are affluent and make average spends of about Rs. 5,620 (US\$ 68).
- **India's e-commerce industry recorded a 36.8% year-on-year growth in 2022**. Indian e-commerce market is anticipated to reach a value of Rs. 26,459.18 billion (US\$ 319.3 trillion) by the end of 2027, expanding at a CAGR of ~26.71% during the 2022 - 2027 period. The market has grown exponentially over the past five years due to the surge in internet and smartphone users, improved policy reforms, and increase in disposable income. Mobile wallets, Internet banking, and debit/credit cards have become popular among customers for making transactions on e-commerce platforms. As of 2021, there were 1.2 million daily e-commerce transactions. The total value of digital transactions stood at US\$ 300 billion in 2021 and is projected to reach US\$ 1 trillion by 2026.
- **The India online grocery market size has been projected to grow from US\$ 4,540 million in 2022 to US\$ 76,761.0 million by 2032**, at a CAGR of 32.7% through 2032.
- The retail market in India is estimated to reach US\$ 1.1 trillion by 2020 from US\$ 840 billion in 2017, with modern trade expected to grow at 20-25% per annum, which is likely to boost revenue of FMCG companies. The FMCG market in India is

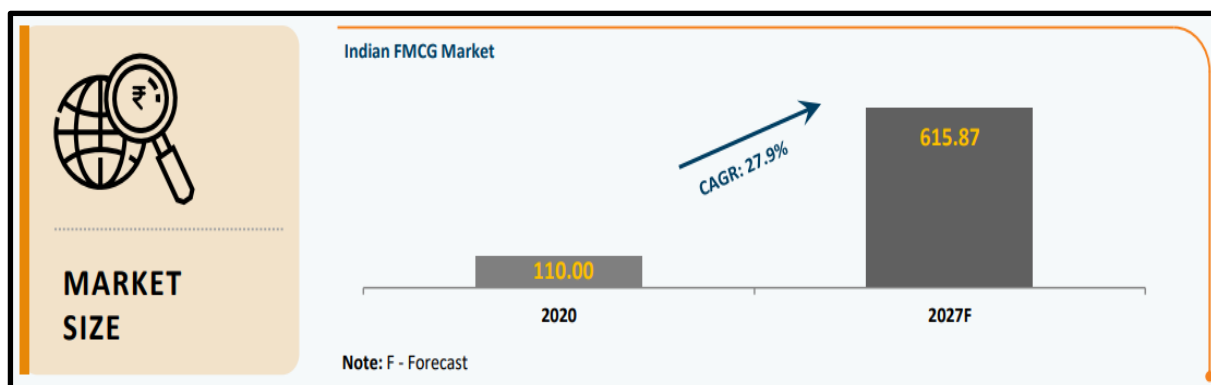
expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020. The Indian FMCG industry grew by 16% in CY21 a 9- year high, despite nationwide lockdowns, supported by consumption-led growth and value expansion from higher product prices, particularly for staples. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.

- FMCG giants such as Johnson & Johnson, Himalaya, Hindustan Unilever, ITC, Lakme and other companies (that have dominated the Indian market for decades) are now competing with D2C-focused start-ups such as Mama earth, The Moms Co., Bey Bee, Azah, Nua and Pee Safe. Market giants such as Revlon and Lotus took ~20 years to reach the Rs. 100 crore (US\$ 13.4 million) revenue mark, while new-age D2C brands such as Mama earth and Sugar took four and eight years, respectively, to achieve that milestone.
- Advertising volumes on television recorded healthy growth in the July-September quarter, registering 461 million seconds of advertising, which is the highest in 2021. FMCG continued to maintain its leadership position with 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020

1.16 Future FMCG Market:

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India. On the other hand, with the share of unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with increased level of brand consciousness, augmented by the growth in modern retail. Another major factor propelling the demand for food services in India is the growing youth population, primarily in urban regions. India has a large base of young consumers who form majority of the workforce, and due

to time constraints, barely get time for cooking. Online portals are expected to play a key role for companies trying to enter the hinterlands. Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India is likely to reach 1 billion by 2025.



Data Source: www.ibef.org/industry/fmcg

E-commerce share of total FMCG sales is expected to increase by 11% by 2030. It is estimated that India will gain US\$ 15 billion a year by implementing GST. GST and demonetisation are expected to drive demand, both in the rural and urban areas, and economic growth in a structured manner in the long term and improved performance of companies within the sector.

1.17 Marketing Strategies introduction: -

FMCG marketing has historically been carried out using channels like door-to-door salespeople, radio commercials, newspapers, and banners.

With these media, a firm could only communicate one common message to a highly different audience and hope for some success.

Below are strategies which should be adopted by the brand to enter new foreign market:-

1. Establish & Market a distinctive brand.
2. Use of Digital Marketing.
3. Consumer Centric content marketing.
4. Digital presence in social media.
5. Inactive Websites with AI.
6. Influencer marketing.
7. More emphases on customer relationships.
8. Getting started with e-commerce website is must for long run.
9. Market Segmentation.
10. Branding & Positioning.

Above are the few approaches suitable for the organisation.

1.18 E.P.R.G Approach: -

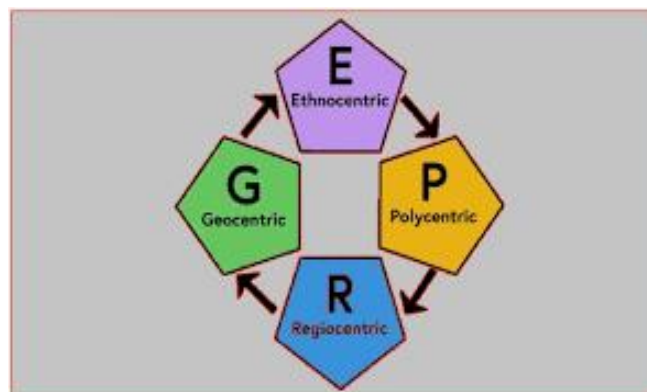
EPRG framework was introduced by Wind, Douglas and Perlmutter. This framework addresses the way strategic decisions are made and how the relationship between headquarters and its subsidiaries is shaped.

Perlmutter's EPRG framework consists of four stages in the international operations evolution. These stages are discussed below.

- **Ethnocentric Orientation**
- **Regiocentric Orientation**
- **Polycentric Orientation**
- **Geocentric Orientation**

Ethnocentric Approach:

Ethnocentric approach or home country orientation is the approach where a company simply markets its product or services internationally in the same manner as they do domestically. Companies believe that consumer's needs and market conditions are more or less homogeneous in international markets. Companies prefer an ethnocentric approach in order to avoid the expense of developing new marketing techniques to serve foreign consumers. All functions are planned and carried out from home base only with little or almost no difference in product formulation or specifications.



Polycentric Approach:

In Polycentric approach, companies go for customization for each foreign market. They will customize the products according to each country depending upon the consumers taste or preferences or cultural or any legal or political factors i.e. depending upon their local marketing conditions and then enter into that market. Companies customize the marketing mix to meet the specific needs of each foreign market.

Regiocentric Approach:

In a Regiocentric approach, company's target a group of countries having similar market characteristics, and then enter into the market. Once the company is established in various markets, attempts are made to form market clusters based on geographical and psychic proximity. The production and distribution of products are made to serve the whole region with an effective economy of operation, close control and coordination.

Geocentric Approach:

- In geocentric approach, the company identifies the needs of consumers worldwide and then enters the market with standard products with standardized marketing mix for all the markets it serves. Companies must identify the similarities in consumption patterns that can be targeted. The companies coordinate their distribution network to distribute their products in various regional and national markets by establishing manufacturing and processing facilities around the world.

2.0 Methodology

Our methodology to complete this study will include the

- Understanding the FMCG market structure in India.
- Possible marketing strategies.
- Survey to understand the customer expectations.
- Analysis of the EPRG approach and giving suggestion.
- Conclusion.
- Recommendations.

2.1 Source of Data

- Primary Source- The data will be gathered through a structured questionnaire which will be distributed to the consumers. The questionnaire contains the questions which will help us to understand perceptions of consumer about a FMCG brand selection.
- Secondary Source- Secondary data has been collected through trusted websites, government portals, PIB releases.

2.2 Survey Questionnaire: -

1. What is your age group?

- Below 30 years old
- 30 to 40 years old
- 40 to 50 years old

2. What is your Gender?

- Male
- Female

3. What is your first preference to buy FMCG products?

- Online Mode (Through E commerce)
- Offline Mode (Super Markets, Shops)

4. What factors influence your decision to purchase a particular brand of FMCG products?

- Brand name
- Product Quality/Packaging quality etc.
- Ease of Availability
- Price

5. Which online platforms do you use when researching and purchasing FMCG products?

- Search Engines
- Social Media Influencers
- Product reviews & ratings on internet

6. Would you be willing to try a new FMCG brand, and if so, what would make you more likely to try it?

- Brand name & value
- Positive Word of mouth
- Prices
- Ease of availability
- No, I am not interested to give a try to new brand.

7. Would you pay more for FMCG products that are organic and/or eco-friendly?

- Yes
- No

8. What do you think is the most important factor when it comes to FMCG branding?

- Price
- Brand name, ethics & values
- Product quality

9. What type of advertising do you find most effective for FMCG?

- Newspaper/Magazine
- Outdoor advertising
- Online/Websites/social media/TV Advertising

10. How important is word of mouth or recommendations when it comes to choosing FMCG products?

- Very High
- Doesn't Affect my decision.

11. What type of FMCG products would you like to see more of in the Indian market?

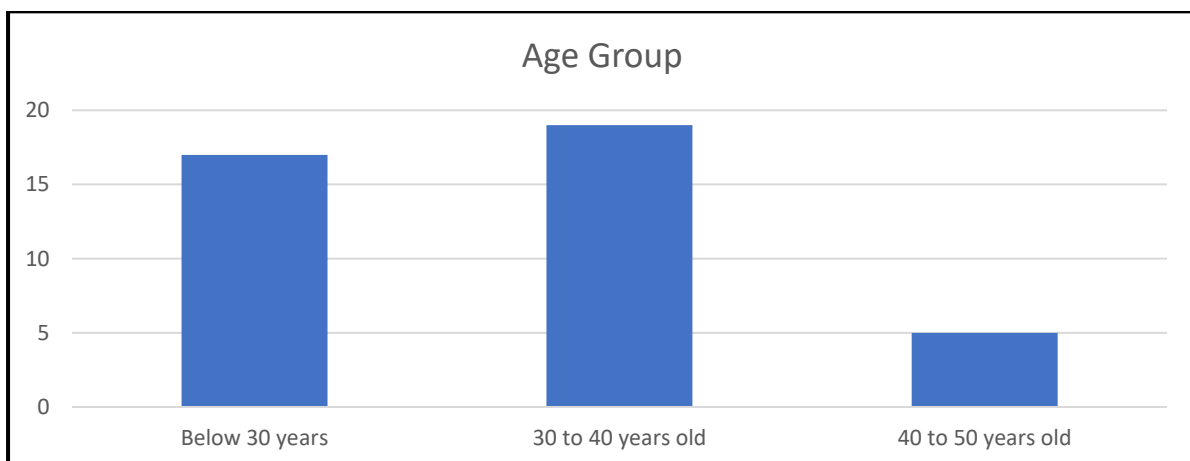
- Personal Care products
- Household products
- Food & Beverages

3.0 Survey Outcome: -

1. What is your age group?

- Below 30 years old
- 30 to 40 years old
- 40 to 50 years old

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Below 30 years	17	41.5	41.5	41.5
30 to 40 years old	19	46.3	46.3	87.80
40 to 50 years old	5	12.2	12.2	100.00
Total	41	100.0		

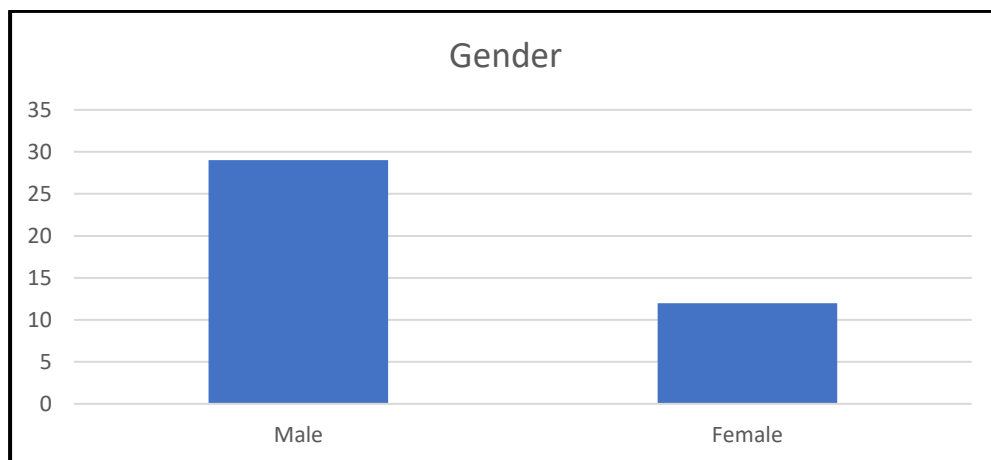


Interpretation: - In survey, participants were from different age group. The number of the participants between the ages 30 and 40 were high. The age group below 30 years were 17 and above 40 years were 5.

2. What is your Gender?

- Male
- Female

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Male	29	70.7	70.7	70.7
Female	12	29.3	29.3	100.00
Total	41	100.0		

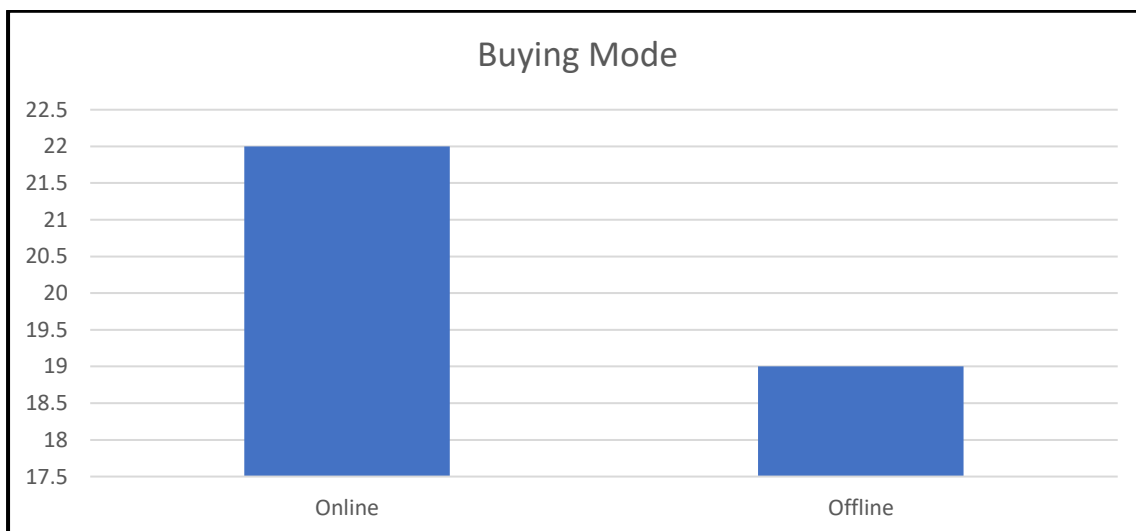


Interpretation: - In survey, male participants were 29 and Female participants were 12.

3. What is your first preference to buy FMCG products?

- Online Mode (Through E commerce)
- Offline Mode (Super Markets, Shops)

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Online	22	53.7	53.7	53.7
Offline	19	46.3	46.3	100.00
Total	41	100.0		

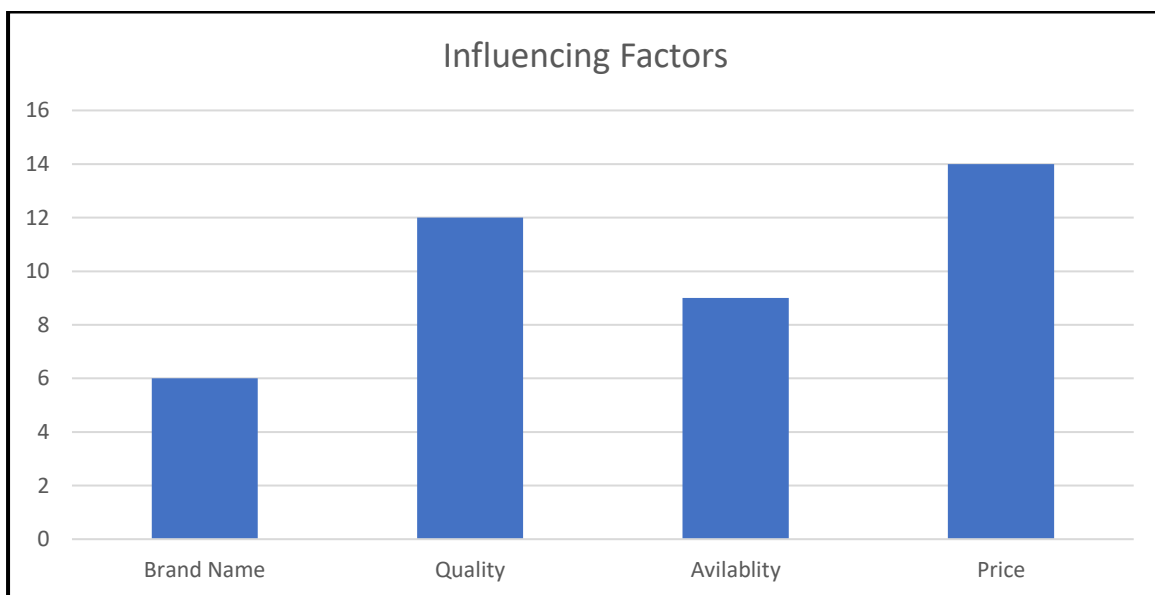


Interpretation: - In survey, majority of participants agreed that they do FMCG products purchasing through online mode. The number of such participants were 22. Out of total 41 participants, 19 agrees that they do on counter shopping such as supermarkets, Local shops.

4. What factors influence your decision to purchase a particular brand of FMCG products?

- Brand name
- Product Quality/Packaging quality etc.
- Ease of Availability
- Price

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Brand Name	6	14.6	14.6	14.6
Quality	12	29.3	29.3	43.90
Availability	9	22.0	22.0	65.85
Price	14	34.1	34.1	100.00
Total	41	100.0		

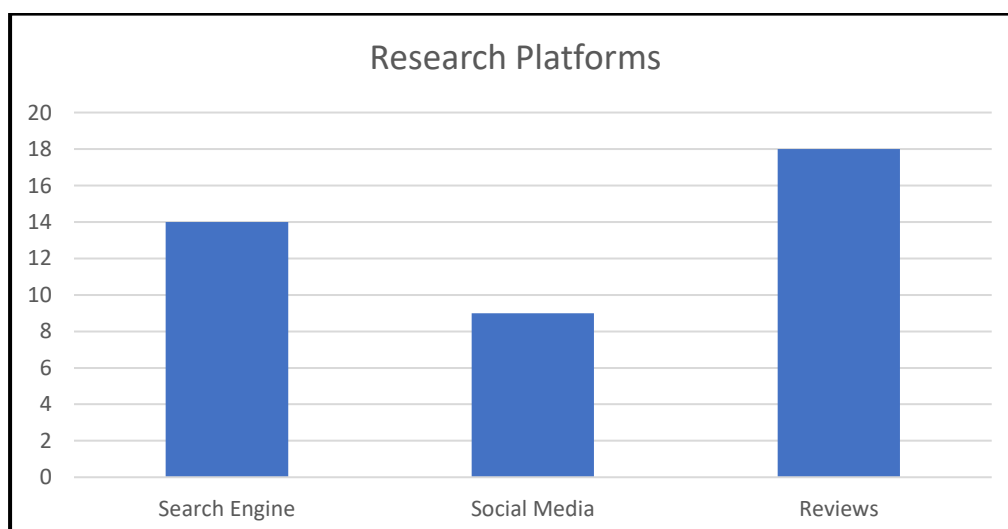


Interpretation: - In survey, majority of participants agreed that Price is main constraint for deciding factor for a FMCG product, whereas quality is given almost same preference. Brand name & availability is least deciding factors. People search for the best quality in reasonable prices.

5. Which online platforms do you use when researching and purchasing FMCG products?

- Search Engines
- Social Media Influencers
- Product reviews & ratings on internet

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Search Engine	14	34.1	34.1	34.1
Social Media	9	22.0	22.0	56.10
Reviews	18	43.9	43.9	100.00
Total	41	100.0		

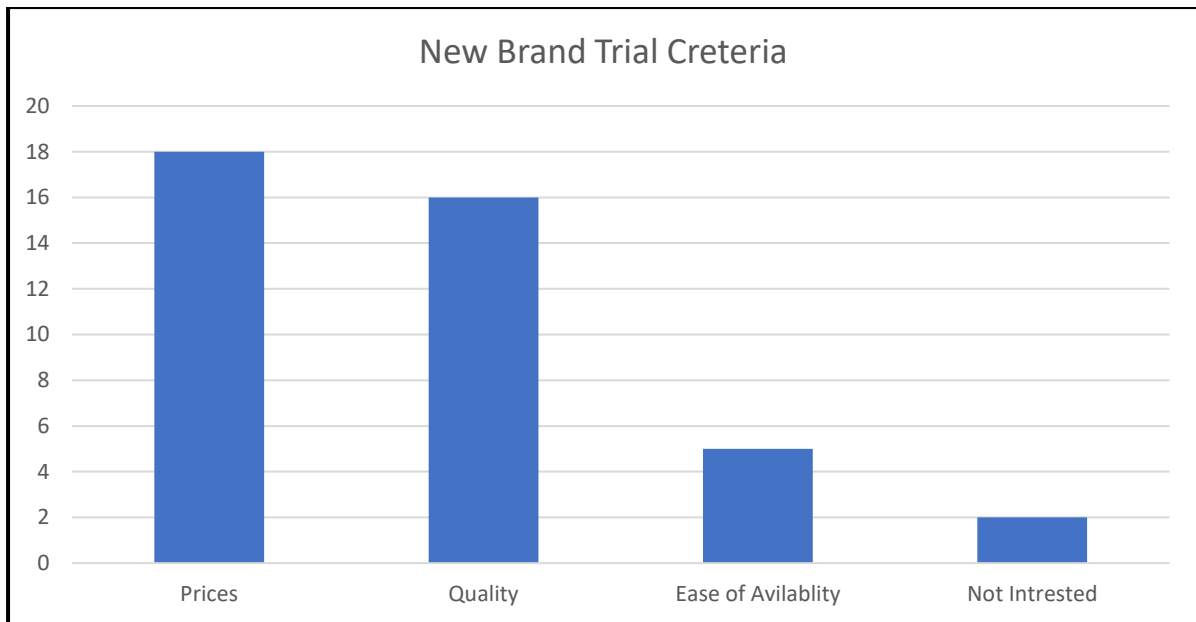


Interpretation: - In survey, majority of participants agreed that they believe in positive word of mouth about a product. Therefore, they mostly rely on the reviews on e-commerce and self-discovery about the product. Whereas social media is used less for researching about a product.

6. Would you be willing to try a new FMCG brand, and if so, what would make you more likely to try it?

- Price
- Quality
- Ease of availability
- No, I am not interested to give a try to new brand.

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Prices	18	43.9	43.9	43.90
Quality	16	39.0	39.0	82.93
Ease of Availability	5	12.2	12.2	95.12
Not Interested	2	4.9	4.9	100.00
Total	41	100.0		

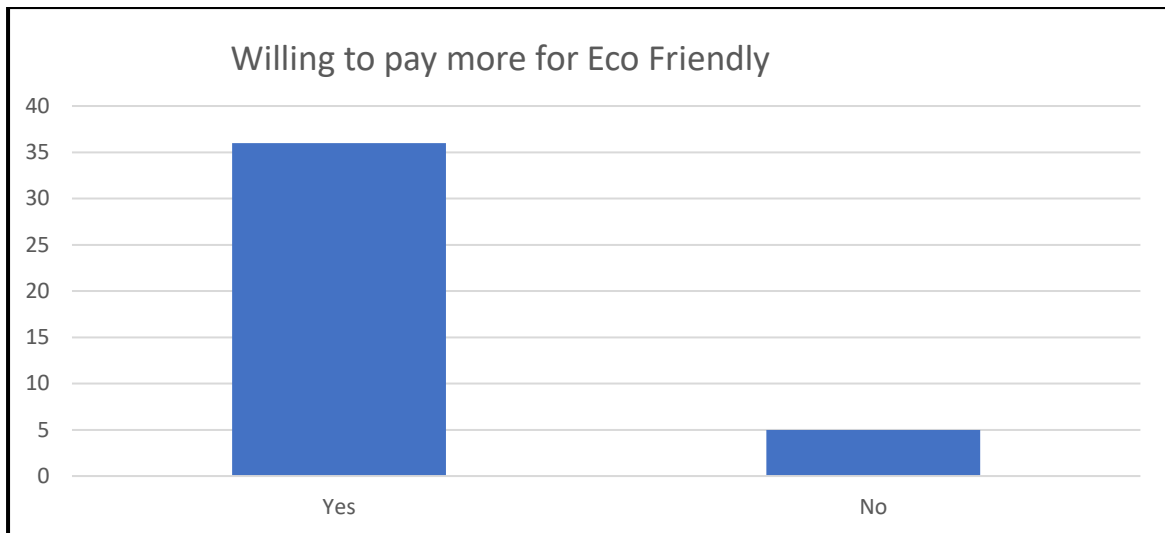


Interpretation: - In survey, majority of participants agreed that price is the first constraint for new brand rather than brand name. However mostly agreed to give a try to new brand.

7. Would you pay more for FMCG products that are organic and/or eco-friendly?

- Yes
- No

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Yes	36	87.8	87.8	87.8
No	5	12.2	12.2	100.00
Total	41	100.0		

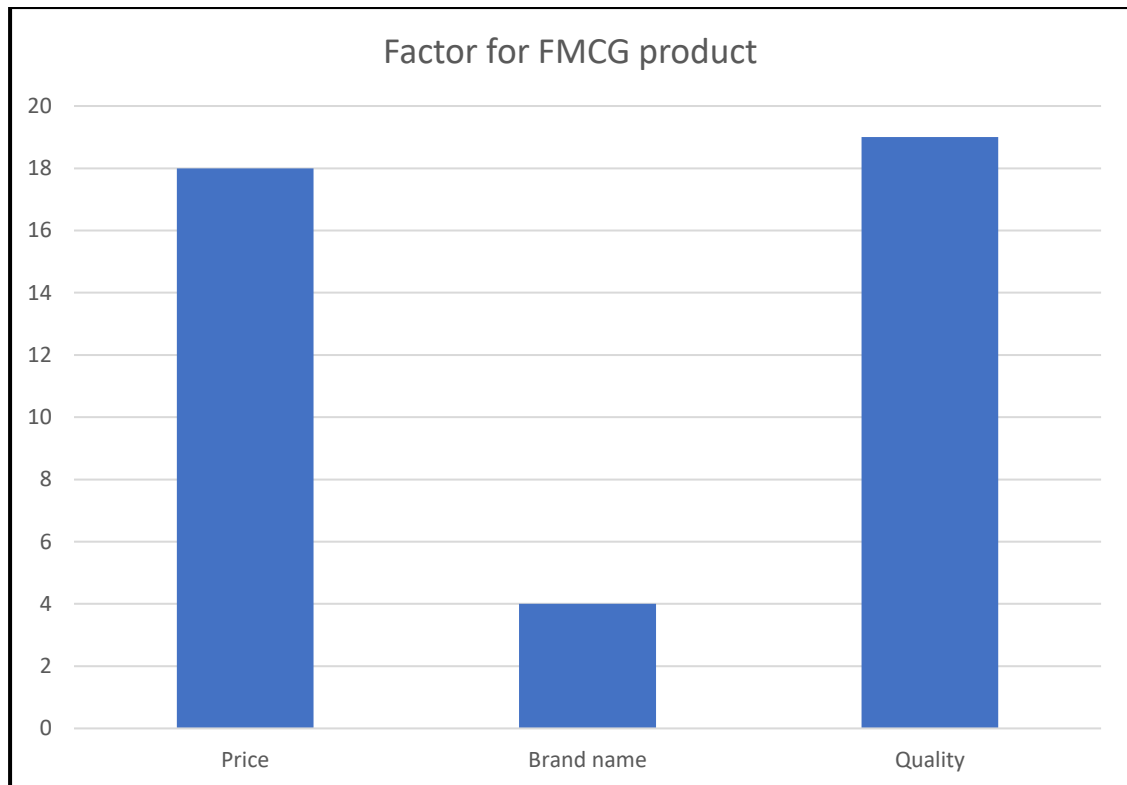


Interpretation: - In survey, majority of participants agreed to pay more for a eco friendly product/packaging. It shows people prefer that brand should work towards the sustainable environment.

8. What do you think is the most important factor when it comes to FMCG branding/positioning?

- Price
- Brand name, ethics & values
- Product quality

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Price	18	43.9	43.9	43.9
Brand name	4	9.8	9.8	53.66
Quality	19	46.3	46.3	100.00
Total	41	100.0		

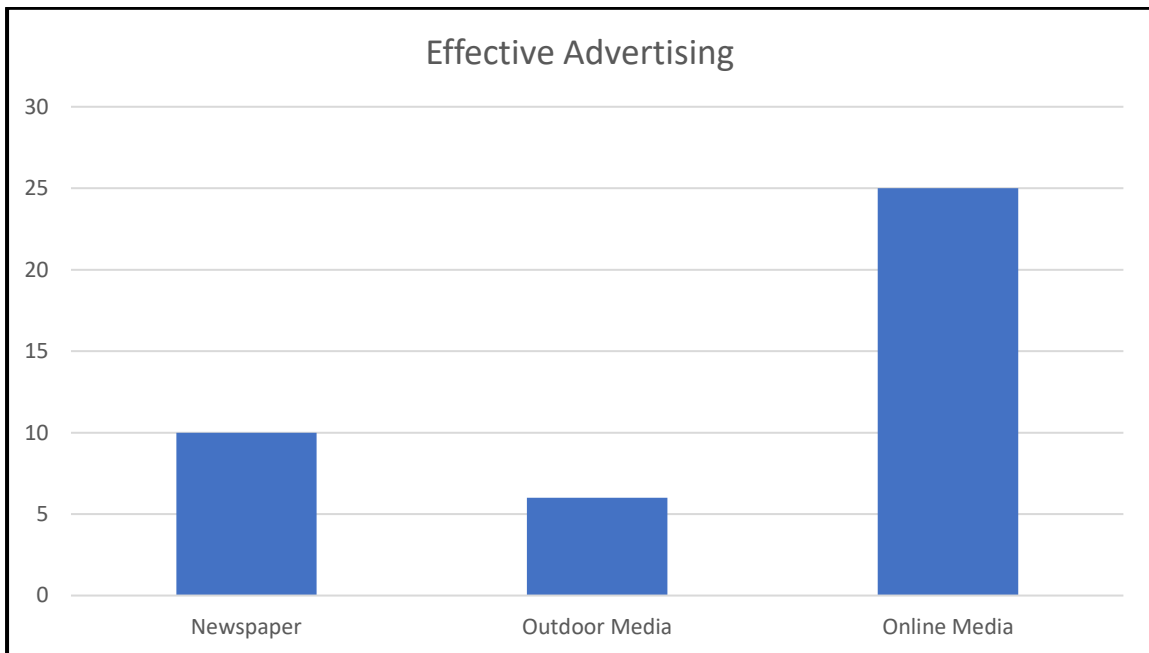


Interpretation: - In survey, majority of participants agreed that quality and price are more important factors for the FMCG product positioning in the market. The new brand can be established by their quality and competitive prices.

9. What type of advertising do you find most effective for FMCG?

- Newspaper/Magazine
- Outdoor advertising
- Online/Websites/social media/TV Advertising

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Newspaper	10	24.4	24.4	24.4
Outdoor Media	6	14.6	14.6	39.02
Online Media	25	61.0	61.0	100.00
Total	41	100.0		

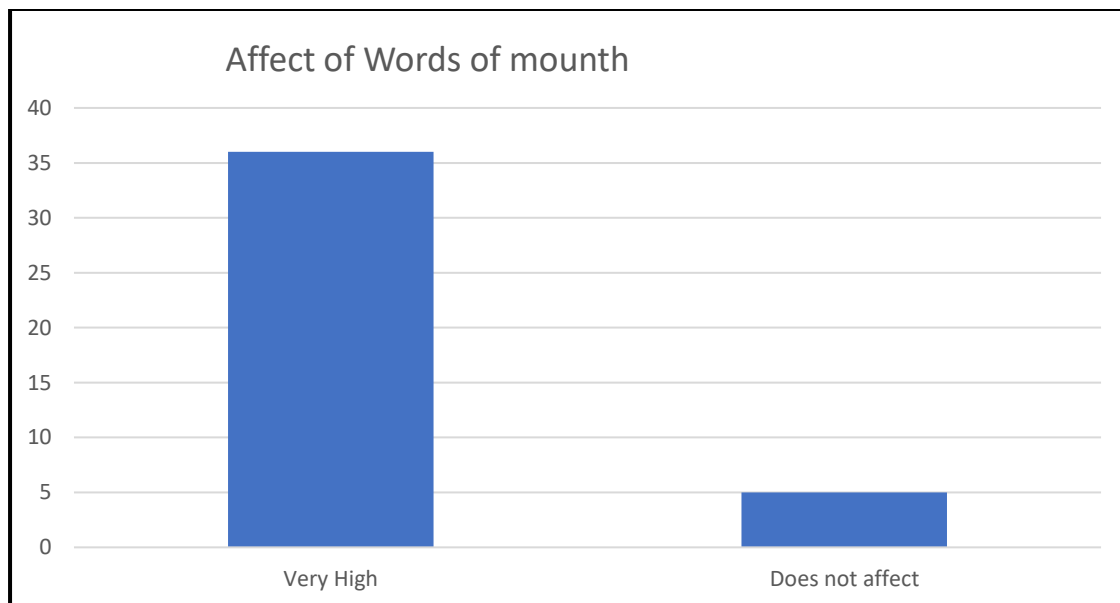


Interpretation: - In survey, majority of participants agreed that online media is the best way to reach customers. Other they can prefer to use newspaper/magazine and outdoor media is least preferred.

10. How important is word of mouth or recommendations when it comes to choosing FMCG products?

- Very High
- Doesn't Affect my decision.

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Very High	36	87.8	87.8	87.8
Does not affect	5	12.2	12.2	100.00
Total	41	100.0		

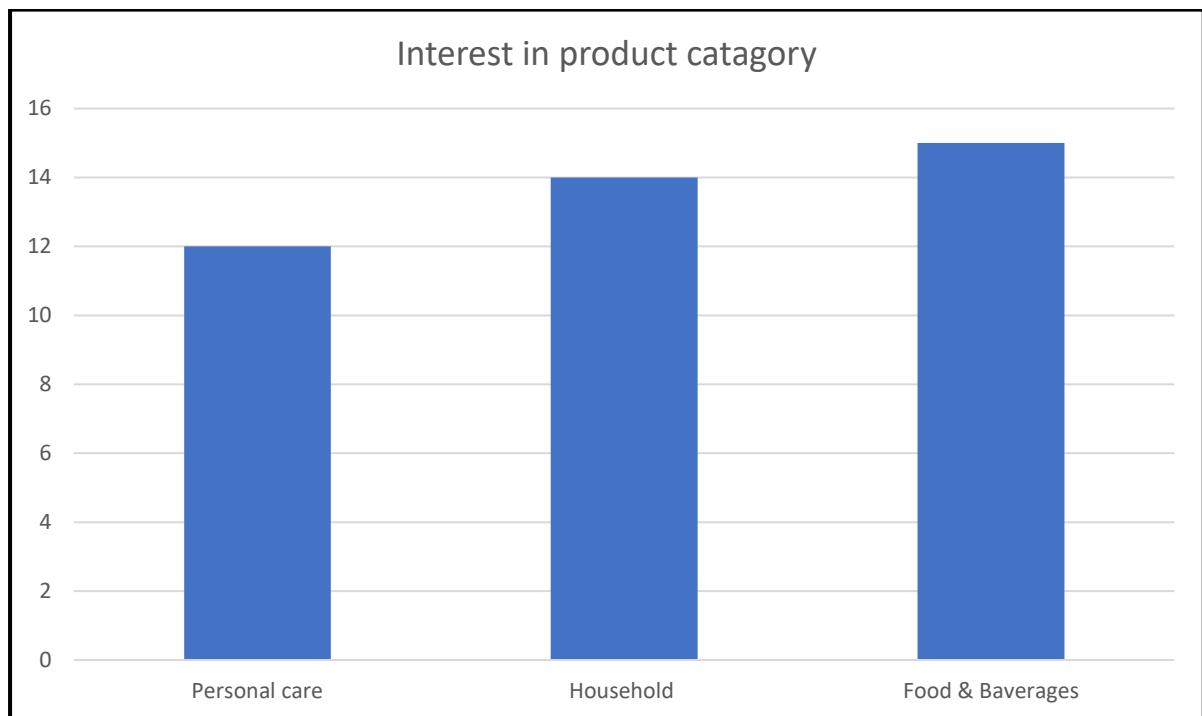


Interpretation: - In survey, majority of participants agreed that a positive or negative word of mouth plays a vital role in the decision making of the consumer. Therefore, the brand should look after their products/services to get positive reputation of the brand/product in market.

11. What type of FMCG products would you like to see more of in the Indian market?

- Personal Care products
- Household products
- Food & Beverages

Valid	Frequency	Percentage	Valid Percent	Cumulative Percentage
Personal care	12	29.3	29.3	29.3
Household	14	34.1	34.1	63.41
Food & Beverages	15	36.6	36.6	100.00
Total	41			



Interpretation: - In survey, the people gave most priority to the Food and Beverages products and household products. The number of the personal care products were less as compared. However, gap was not much high among the options.

Limitations of the Study: -

- The time to conduct the study was limited.
- The primary data has been collected through a structured questionnaire and population size was limited and into Delhi/NCR region only.

4.0 Conclusion: -

FMCG market in India is a highly competitive space, but with the right marketing strategies and approach, upcoming companies can carve out a successful niche for themselves. In this research report found that there are several key marketing strategies that companies can employ to gain a foothold in this market and grow their brand.

In the report it is found most of the consumers are doing the online purchasing of the FMCG items. Out of the total respondents 53% prefer online mode. While 46% still believes in going offline. This is influence of the rising e-commerce environment. Now a days the FMCG products are being delivered within few minutes to the doorstep. Therefore the “XYZ” brand should work on getting the digital space on the e-commerce channels.

While making decision about the product the report says the consumer is giving preference to two factors which is the price 44% and quality 39%. The quality may be further linked with the brand name. This is why the brand loyalty in India is high because consumer is having some perception about the brand. Therefore the “XYZ” should think about the competitive prices with quality as the main considerations. This report shows that the consumer in India is price sensitive.

The report also highlight that the consumer is mostly relying on the product reviews and word of mouth for deciding whether he should go for the product or not. Approx 88% respondents agree that a positive word of mouth plays a vital role in their decision making.

The report shows that the consumer is becoming more serious about the ecological effects of packaging materials/products. As per our study 87% respondents choose to pay extra for eco-friendly packaging and products. Therefore the “XYZ” should work for the products with recyclable packaging and material. It will help in making positive brand image among consumers.

For the marketing piece, the study shows that 61% respondents suggest for the advertising of the products. This is because of the high screen time among the consumers. The consumer is interacting more on social media and online platforms. Therefore, the company should opt for the digital media for promotion activities, and they can offer the promotional codes and discount coupons to consumers. Newspaper is second choice by voting of 24% respondents.

The consumer wants to try new brand in the Food & Beverages and Household products rather than personal care. The reason for the same could be the personal care product segment is very sensitive and consumer does not easy try new products because these are directly linked to their health.

One of the key factors that influence consumer behaviour in the FMCG market is price. Indian consumers are price-sensitive and tend to look for value for money products. This has led to the growth of the low-cost segment in the FMCG market, with many companies launching products at affordable prices.

Packaging and advertising also play a significant role in influencing consumer behaviour in the FMCG market. Indian consumers are attracted to products that have attractive packaging and are marketed well. This has led to the growth of the premium segment in the FMCG market, with many companies launching high-end products that cater to the needs of affluent consumers.

The rise of e-commerce has also had a significant impact on consumer behaviour in the FMCG market in India. Online shopping has become increasingly popular among Indian consumers, with many people preferring to buy FMCG products online. This has led to the growth of online retailers and marketplaces, which offer a wide range of FMCG products at competitive prices.

In conclusion, consumer behaviour towards the FMCG market in India is influenced by various factors such as price, brand loyalty, quality, packaging, advertising, and e-commerce.

5.0 References: -

Source of statical data <https://www.ibef.org/industry/fmcg>

Market factors

<https://timesofindia.indiatimes.com/blogs/voices/factors-that-affect-consumer-behaviour-in-the-fmcg-sector/>

International Marketing Strategy : Text Books and class notes.