

Brand preferences and rural consumers in Salem district (T.N.)

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ABSTRACT

India's FMCG sector is the fourth largest sector in the economy and creates employment for more than three million people in downstream activities. Its principal constituents are household care, personal care and food and beverages. The total FMCG market is in excess of Rs. 85,000 cores. It is currently growing at double digit growth rate and is expected to maintain a high growth rate. FMCG industry is characterized by a well established distribution network, low penetration levels, low operating cost, lower per capital consumption and intense competition between the organized and unorganized segments.

KEY WORDS : Brand performance, F.M.C.G. sector, Rural consumers

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Products which have a quick turnover, and relatively low cost are known as fast moving consumer goods (FMCG). FMCG products are those that get replaced within a year. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars.

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by a well established distribution network, low penetration levels, low operating cost, lower per capital consumption and intense competition between the organized and unorganized segments (Tsai *et al.*, 2007).

The Rs. 85,000 crore Indian FMCG industry is expected to register a healthy growth in the third quarter of 2008-09 despite the economic downturn. The industry is expected to register a 15 per cent growth in Q3 2008-09 as compared to the corresponding period last year. Unlike other sectors, the FMCG industry did not slow down since Q2 2008. The industry is doing pretty well, bucking the trend. As it is meeting the everyday demands of consumers, it will continue to grow. In the last two months, input costs have come down and this will reflect in Q3 and Q4 results.

Market share movements indicate that companies such as Marico Ltd. and Nestle India Ltd., with domination in their key categories, have improved their market shares and outperformed peers in the FMCG sector.

Palmolive India Ltd. and Britannia Industries Ltd. have also witnessed strength in their respective categories, aided by innovations and strong distribution. Strong players in the economy segment like Godrej Consumer Products Ltd. in soaps and Dabur in toothpastes have also posted market share improvement, with revived growth in semi-urban and rural markets.

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