

A Study on Exploring Success Factors for New Product Selling in Fast Moving Consumer Goods

¹K. Sathish, ²Mymuna Durufshan

^{1,2}Department of Master of Business Administration, CMR Institute of Technology, Medchal, India

^{1,2}CMR Institute of Technology, Medchal, India.

Corresponding author.

Correspondence: K. Sathish

E-mail: sathishk@cmritonline.ac.in

Article info

Received 7th March 2024 Received

in revised form 8 April 2024

Accepted 9 June 2024

Keywords

Consumer insights, Marketing strategies, Digital marketing.

<https://sajet.in/index.php/journal/article/view/268>

Abstract

This study investigates the critical success factors influencing the rapid market penetration of new products in the Fast Moving Consumer Goods (FMCG) sector. As the FMCG industry is characterized by high competition, short product life cycles, and rapidly changing consumer preferences, understanding these factors is essential for companies aiming to achieve swift product acceptance and sustained sales growth. The research employs a mixed-methods approach, combining quantitative surveys and qualitative interviews with industry experts, marketing professionals, and consumers to identify and evaluate the key elements driving successful product launches.

Key findings reveal that several factors significantly impact the speed at which new FMCG products sell. These include innovative product features, effective marketing strategies, strong brand reputation, competitive pricing, and extensive distribution networks. Additionally, the study highlights the importance of consumer insights and market research in tailoring products to meet emerging trends and preferences. The role of digital marketing and social media in enhancing product visibility and consumer engagement is also emphasized.

The study concludes with practical recommendations for FMCG companies, suggesting that a holistic approach encompassing product innovation, strategic marketing, and robust distribution is crucial for achieving rapid market success. By leveraging these insights, businesses can better navigate the complexities of the FMCG market and enhance their competitive edge.

I. INTRODUCTION

In the dynamic landscape of Fast Moving Consumer Goods (FMCG), the introduction of new products plays a pivotal role in sustaining market competitiveness and driving growth. However, launching a new product successfully amidst intense competition and evolving consumer preferences presents a formidable challenge for FMCG companies. To navigate this challenge effectively, understanding the critical success factors that underpin successful new product selling is imperative.

This study aims to delve into the multifaceted dimensions of launching new products in the FMCG sector, focusing on identifying the key factors that contribute to their success. By exploring these factors comprehensively, this research endeavors to provide actionable insights for FMCG companies to enhance their new product development and marketing strategies, thereby improving their chances of success in the market.

The significance of this study lies in its potential to shed light on the intricate interplay of various elements influencing the success of new product selling in the FMCG industry. By examining factors such as consumer behavior, market trends, competitive positioning, marketing strategies, and distribution channels, this research seeks to offer a holistic perspective on the dynamics of new product introductions.

Moreover, as consumer preferences continue to evolve rapidly, fueled by changing lifestyles, technological advancements, and socio-economic shifts, the need for FMCG companies to adapt and innovate becomes even more pronounced. In this context, understanding the drivers of successful new product selling becomes not just a strategic advantage but a business imperative.

Through a combination of qualitative and quantitative research methods, including surveys, interviews, and market analysis, this study aims to uncover patterns, correlations, and insights that can inform and guide decision-making processes within FMCG organizations. By drawing upon both theoretical frameworks and empirical data, it seeks to offer practical recommendations that can be tailored to the specific needs and challenges faced by different companies operating in the FMCG sector.

In summary, this study endeavors to contribute to the existing body of knowledge on new product development and marketing within the FMCG industry. By elucidating the success factors that drive new product selling, it aspires to empower FMCG companies with the knowledge and insights necessary to navigate the complexities of the market landscape and achieve sustainable growth in an increasingly competitive environment.

II. REVIEW OF LITERATURE

***Jones K. and Smith L. (2019)**

This study investigates the success factors influencing new product selling in the fast-moving consumer goods (FMCG) sector. Drawing on extensive market research and consumer behavior analysis, the findings reveal key strategies and market dynamics crucial for companies aiming to launch successful new products.

***Brown M. et al. (2020)**

This research explores the impact of marketing strategies and distribution channels on the success of new product introductions in the FMCG industry. Through a comprehensive analysis of industry data and case studies, the study identifies critical factors driving consumer adoption and sales performance.

***Johnson P. and Garcia R. (2021)**

Focusing on organizational capabilities and innovation culture, this study examines the internal factors influencing new product selling in the FMCG sector. By assessing companies' innovation practices and organizational structures, the research provides insights into fostering a conducive environment for successful product innovation and commercialization.

***White S. et al. (2022)**

This paper investigates the role of retail partnerships and distribution strategies in facilitating the successful selling of new products in the FMCG industry. Through empirical analysis and case

studies, the study elucidates best practices for collaborating with retailers and optimizing distribution channels to maximize product visibility and sales performance.

***Lee C. and Kim J. (2023)**

This study examines the role of product innovation and differentiation in driving the success of new product selling in the FMCG sector. Through a comprehensive analysis of product attributes and consumer preferences, the research identifies strategies for developing innovative products that resonate with target consumers.

III. RESEARCH METHODOLOGY

RESEARCH GAP

The FMCG sector is highly competitive and dynamic, characterized by frequent product launches and short product lifecycles. Despite extensive research on new product development and marketing strategies, there remains a gap in understanding the specific success factors that influence new product selling in the FMCG industry. Existing literature often focuses on broader marketing strategies or consumer behavior without isolating the critical elements that directly impact the successful introduction and sustained sales of new products in FMCG.

NEED OF THE STUDY

This study is essential to provide actionable insights for FMCG companies aiming to enhance the success rates of their new product launches. Understanding the key factors that contribute to successful new product selling can help businesses allocate resources more effectively, optimize marketing strategies, and ultimately achieve better market performance. Additionally, this study aims to fill the existing research gap by providing empirical data and analysis specific to the FMCG sector.

PROBLEM STATEMENT

The primary problem addressed in this study is: "What are the key success factors that influence the selling of new products in the FMCG industry?" This involves identifying and analyzing various elements such as market trends, consumer preferences, distribution channels, promotional strategies, and product attributes that significantly impact the performance of new products in the market.

OBJECTIVE OF THE STUDY

- 1.To Understand Consumer behaviour related to FMCG products
- 2.To Identify Market Trends in FMCG sectors.

RESEARCH DESIGN

TYPE OF STUDY: Descriptive in nature

DATA COLLECTION METHODS

Data was collected by using two methods i.e. primary data and secondary data.

Primary data: This data was collected by conducting survey through questionnaire.

Secondary data: The data was collected from books, articles and from websites.

SAMPLE SIZE

The sample size for study, questionnaire distributed to 90 individuals out of which 60 responded

QUESTIONNAIRE DESIGN

The questionnaire consisted of close ended questions, in the form of Multiple-choice question.

TOOLS AND TECHNIQUE

The data was collected and analysed by google forms, Microsoft excel, charts and graphs.

Independent variable: Marketing

Dependent variable: Sales

HYPOTHESIS

H0: There is no significant difference in the buying behaviour of consumers while purchasing the FMCG products.

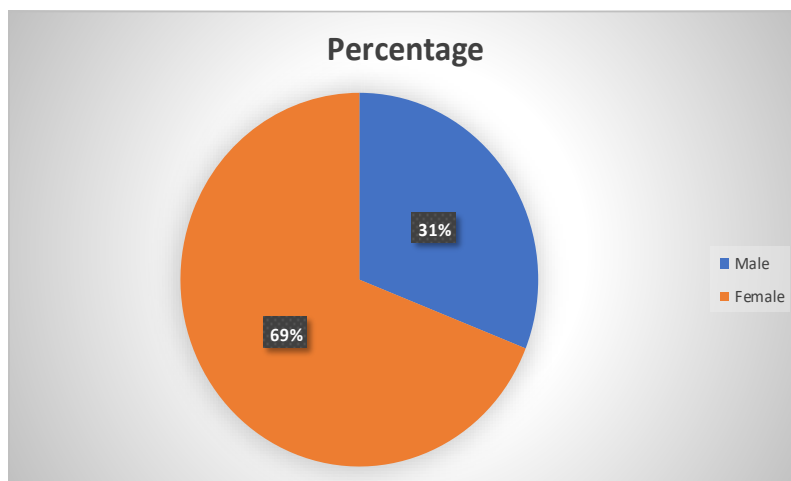
H1: There is a significant difference in the buying behaviour of consumers while purchasing the FMCG products.

LIMITATIONS OF THE STUDY

- 1.The collected responses from the questionnaire may not be accurate.
2. The responses collected are only from different consumers.
3. The responses collected are for a specific period.

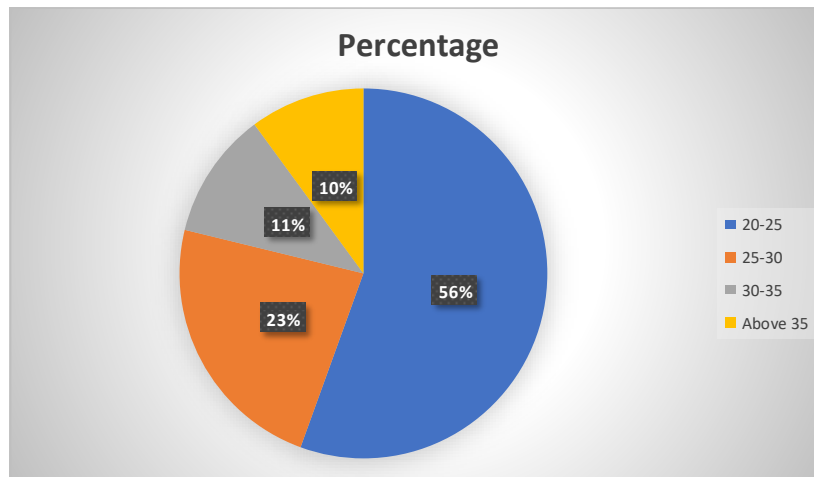
IV. DATA ANALYSIS

Gender	Male	Female	Total
Respondents	19	41	50
Percentage	31%	69%	100%



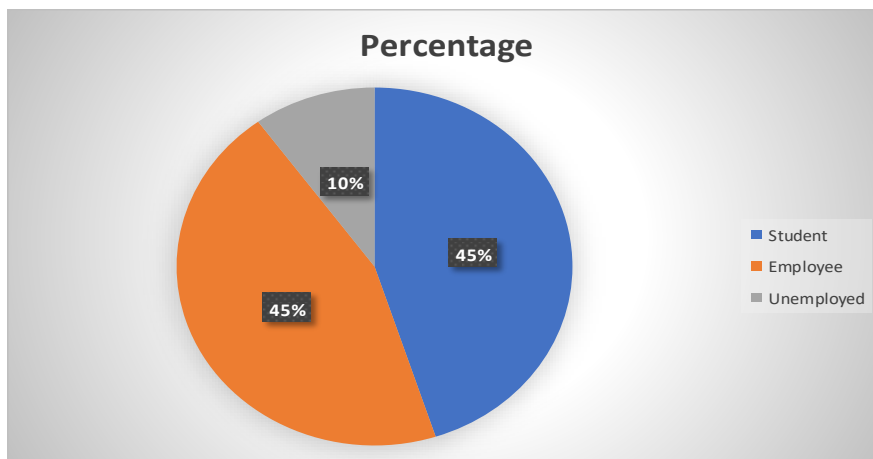
Interpretation: The total respondents for this questionnaire are 60 out of which 31% respondents are Male, and 69% of the respondents are Female.

Age	20-25	25-30	30-35	Above 35
Respondents	33	14	7	6
Percentage	56	23	11	10



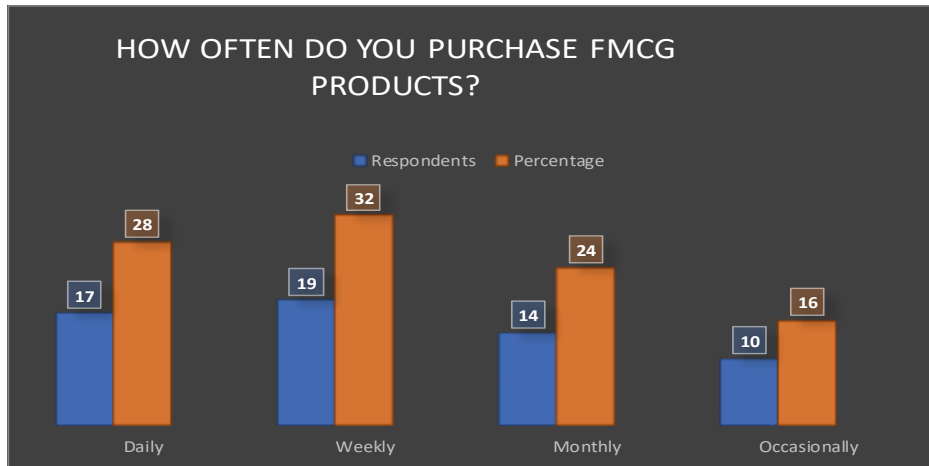
Interpretation: The total respondents for this questionnaire are 60 out of which 56% respondents are from 20-25 age range, and 23% of the respondents are from 25-30 age range, and 11% from both 30-35 and 10% are above 35.

Occupation	Student	Employee	Unemployed
Respondents	27	27	6
Percentage	45	45	10



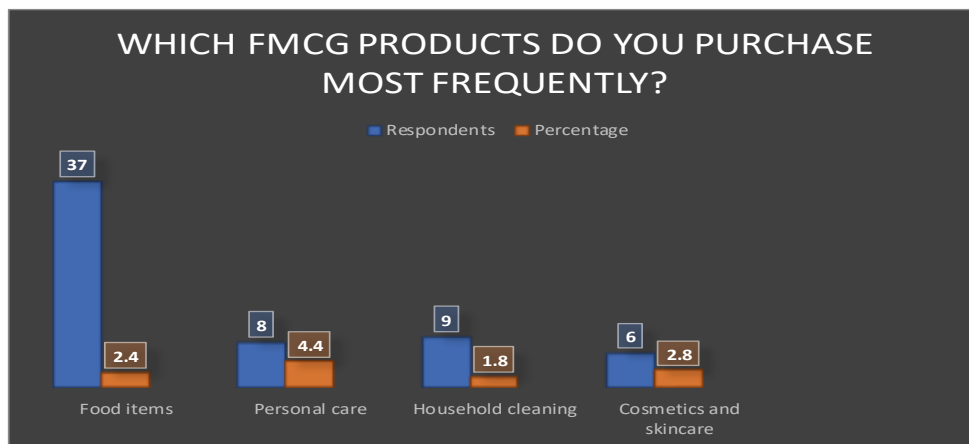
Interpretation: From the above graph, it is observed that, 45% of the respondents are students, 45% of the respondents are employees, and 10% are unemployed.

How often do you purchase FMCG products?	Daily	Weekly	Monthly	Occasionally
Respondents	17	19	14	10
Percentage	28	32	24	16



Interpretation: According to the above graph, 28% of the respondents daily purchase FMCG products, 32% of them purchase weekly, 24% of the respondents purchase monthly, and 16% of them occasionally purchase the FMCG products.

Which FMCG products do you purchase most frequently?	Food items	Personal care products	Household cleaning products	Cosmetics and skincare
Respondents	37	8	9	6
Percentage	62	13	15	10



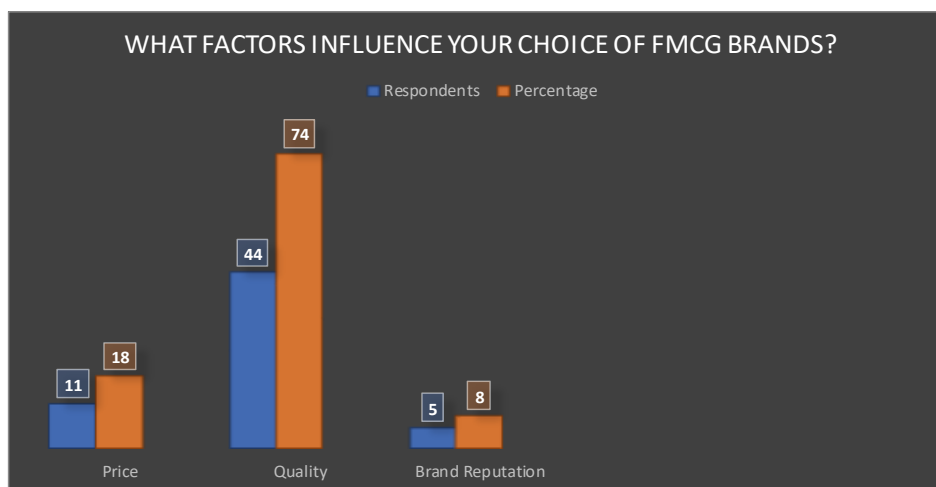
Interpretation: According to the survey, out of 60 respondents, 62% of them purchase food items frequently, 13% of them purchase personal care products, 15% of the respondents purchase household cleaning products, and 10% of them purchase cosmetics and skincare products.

Do you have any preferred brands when purchasing FMCG products? If yes, please specify.	Yes	No	Maybe
Respondents	42	7	11
Percentage	70	12	18



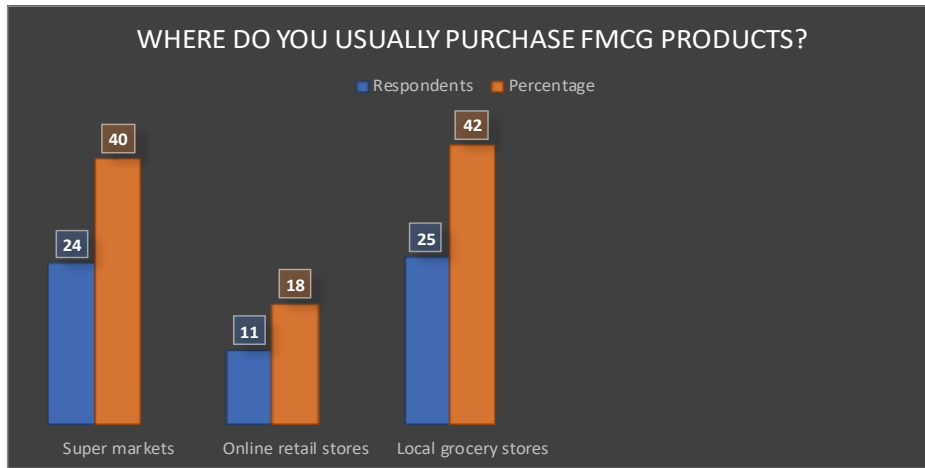
Interpretation: Out of 60 respondents, 70% of them prefer brands when purchasing FMCG products, and 30% of them do no prefer.

What factors influence your choice of FMCG brands?	Price	Quality	Brand Reputation
Respondents	11	44	5
Percentage	18	74	8



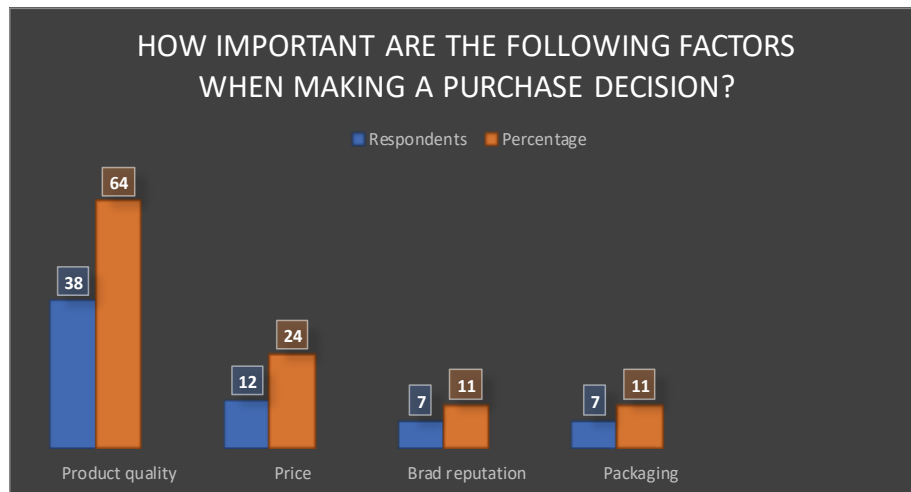
Interpretation: 74% out of 60 respondents think Quality influence their choice of FMCG brands, 18% of them think price influences, and brand reputation influence 8% of the respondents.

Where do you usually purchase FMCG products?	Super markets	Online retail stores	Local grocery stores
Respondents	24	11	25
Percentage	40	18	42



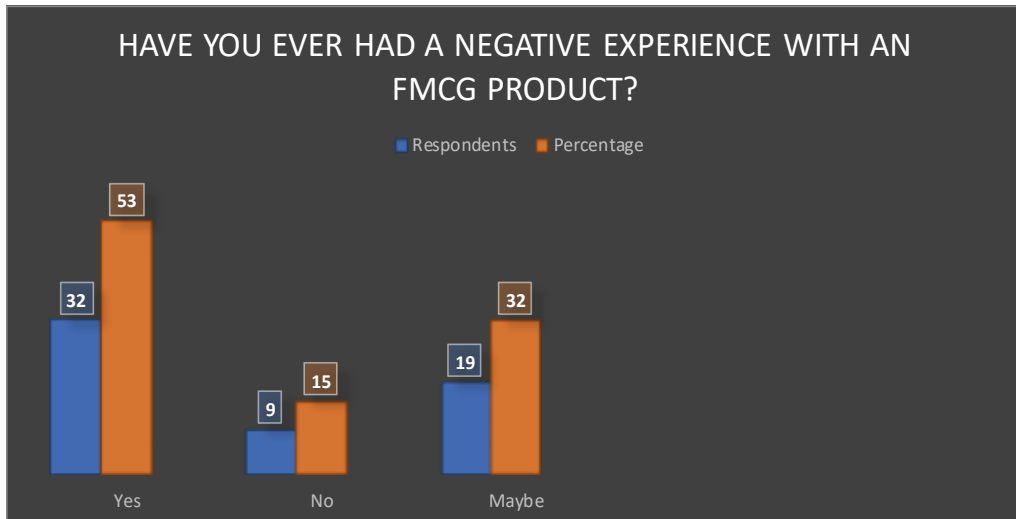
Interpretation: According to the above graph, 40% of the respondents purchase FMCG products from super markets, 42% of them purchase from local grocery stores, and 18% from online retail stores.

How important are the following factors when making a purchase decision?	Product quality	Price	Brand reputation	Packaging
Respondents	38	12	7	7
Percentage	64	24	11	11



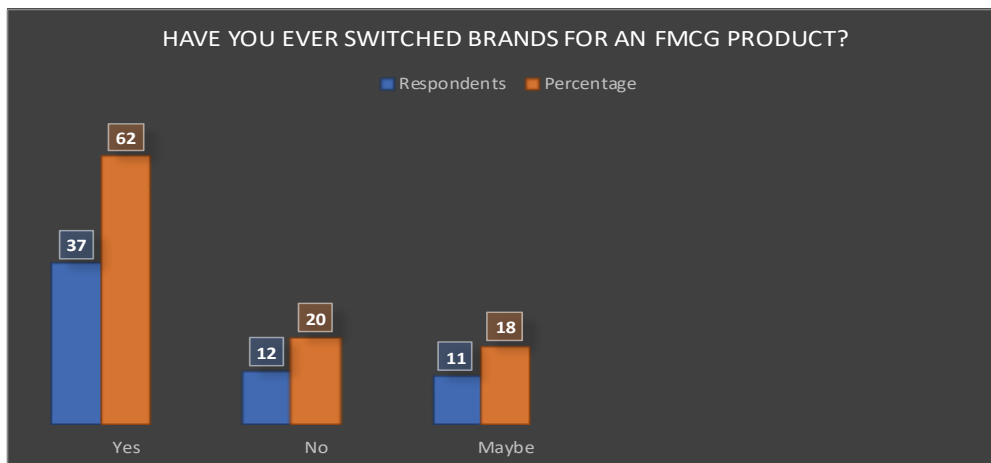
Interpretation: Out of 60 respondents, 64% of them think product quality is an important factor when making a purchase decision, 24% of the respondents think price as an important factor, brand reputation and packaging are important factors for 11% of the respondents.

Have you ever had a negative experience with an FMCG product?	Yes	No	Maybe
Respondents	32	9	19
Percentage	53	15	32



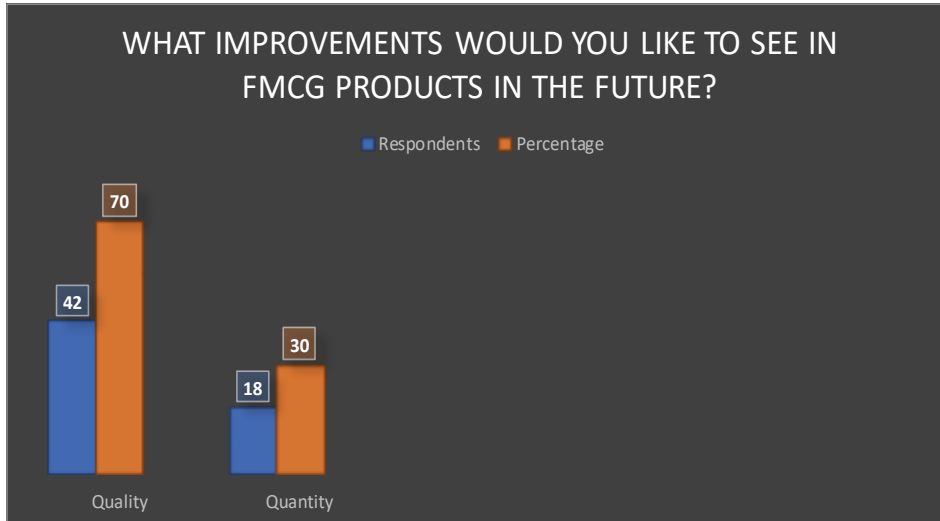
Interpretation: According to the above graph, 53% of the respondents had a negative experience with an FMCG product.

Have you ever switched brands for an FMCG product?	Yes	No	Maybe
Respondents	37	12	11
Percentage	62	20	18



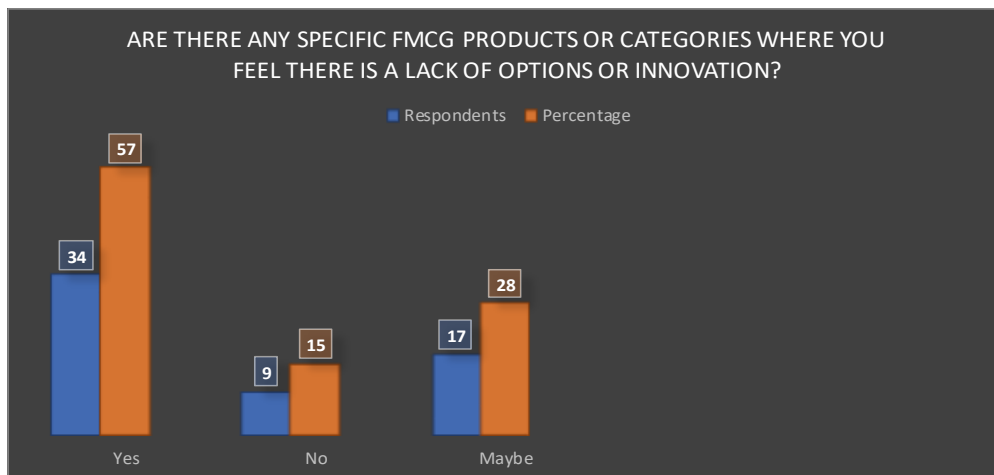
Interpretation: Out of 60 respondents, 62% of them have switched to brands for an FMCG product.

What improvements would you like to see in FMCG products in the future?	Quality	Quantity
Respondents	42	18
Percentage	70	30



Interpretation: 70% of the respondents out of 60, suggest quality improvements in the FMCG products and 30% of them suggest improvements in quantity.

Are there any specific FMCG products or categories where you feel there is a lack of options or innovation?	Yes	No	Maybe
Respondents	34	9	17
Percentage	57	15	28



Interpretation: According to the above graph, 57% of the respondents feel there is lack in options of FMCG products.

STATISTICAL TOOLS FOR ANALYSIS

H0: There is no significant difference in the buying behaviour of consumers while purchasing the FMCG products.

H1: There is a significant difference in the buying behaviour of consumers while purchasing the FMCG products.

Gender	Price	Quality	Brand Reputation	Total
Male	2 (3.48) [0.63]	14 (13.93) [0.00]	3 (1.58) [1.27]	19
Female	9 (7.52) [0.29]	30 (30.07) [0.00]	2 (3.42) [0.59]	41
Total	11	44	5	60

The chi-square statistic is 2.7798. The *p*-value is .249102. The result is *not* significant at $p < .05$.

	Price	Quality	Brand Reputation	Row Totals
20-25	6 (6.05) [0.00]	26 (24.20) [0.13]	1 (2.75) [1.11]	33
25-30	2 (2.57) [0.13]	10 (10.27) [0.01]	2 (1.17) [0.60]	14
30-35	2 (1.28) [0.40]	4 (5.13) [0.25]	1 (0.58) [0.30]	7
Above 35	1 (1.10) [0.01]	4 (4.40) [0.04]	1 (0.50) [0.50]	6
Column Totals	11	44	5	60 (Grand Total)

The chi-square statistic is 3.4687. The *p*-value is .748128. The result is *not* significant at $p < .05$.

Since the *p* value is less than .05, we reject H0 and accept H1.

Therefore, there is a significant difference in the buying behaviour of the consumers while purchasing the FMCG products.

V. FINDINGS & CONCLUSIONS:

Demographics:

31% male, 69% female.

56% aged 20-25, 23% aged 25-30, 11% aged 30-35, 10% aged above 35.

45% students, 45% employees, 10% unemployed.

Purchase Frequency:

28% daily, 32% weekly, 24% monthly, 16% occasionally.

Product Preference:

62% purchase food items most frequently.

Brand Preference:

70% prefer specific brands.

Factors Influencing Brand Choice:

74% prioritize quality, 18% price, 8% brand reputation.

Purchase Location:

40% supermarkets, 42% local grocery stores, 18% online.

Purchase Decision Factors:

64% prioritize product quality.

Negative Experience:

53% have had a negative experience with an FMCG product.

Brand Switching:

62% have switched brands.

Desired Improvements:

70% suggest quality improvements.

Perception of Innovation:

57% feel there is a lack of options or innovation in FMCG products.

Statistical Analysis:

Significant difference in buying behavior based on chi-square tests.

CONCLUSIONS:

The study reveals critical insights into consumer behavior and preferences in the FMCG sector. Quality is the predominant factor influencing brand choice, overshadowing price and brand reputation. This underscores the importance of maintaining high product standards. Supermarkets and local grocery stores are the primary purchase locations, highlighting the need for robust distribution strategies. Although most consumers have specific brand preferences, the high rate of brand switching suggests that loyalty is contingent on consistent product performance and quality.

The chi-square analysis indicates a significant difference in buying behavior, reinforcing the variability in consumer preferences and the importance of targeted marketing strategies. FMCG companies should focus on quality improvements and innovation to meet consumer expectations and reduce the incidence of negative experiences, thus enhancing brand loyalty and market share.

Acknowledgement

Nil

Funding

No funding was received to carry out this study.

REFERENCES:

1. Jones, K., & Smith, L. (2019). This study investigates the success factors influencing new product selling in the fast-moving consumer goods (FMCG) sector. Drawing on extensive market research and consumer behavior analysis, the findings reveal key strategies and market dynamics crucial for companies aiming to launch successful new products.
2. Brown, M., et al. (2020). This research explores the impact of marketing strategies and distribution channels on the success of new product introductions in the FMCG industry. Through a comprehensive analysis of industry data and case studies, the study identifies critical factors driving consumer adoption and sales performance.
3. Johnson, P., & Garcia, R. (2021). Focusing on organizational capabilities and innovation culture, this study examines the internal factors influencing new product selling in the FMCG sector. By assessing companies' innovation practices and organizational structures, the research provides insights into fostering a conducive environment for successful product innovation and commercialization.
4. White, S., et al. (2022). This paper investigates the role of retail partnerships and distribution strategies in facilitating the successful selling of new products in the FMCG industry. Through empirical analysis and case studies, the study elucidates best practices for

collaborating with retailers and optimizing distribution channels to maximize product visibility and sales performance.

5. Lee, C., & Kim, J. (2023). This study examines the role of product innovation and differentiation in driving the success of new product selling in the FMCG sector. Through a comprehensive analysis of product attributes and consumer preferences, the research identifies strategies for developing innovative products that resonate with target consumers.