



## Exploring success factors for new products selling in fast moving consumer goods

1. M.Akhila Reddy, Assistant Professor, CMRIT
2. Andhala Vamshi, Research Student, CMRIT

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### Abstract:

*Within the FMCG, the process of new product introduction is exciting and, at the same time, a cumbersome task. Success here is always a precise balance between market understanding, consumer preferences, and strategic execution. Therefore, it becomes quite essential to find out the complex mesh of reasons that determine the success of selling new products for a business and to survive in this race.*

**Key words:** FMCG, consumer preferences, and strategic execution

### I. INTRODUCTION

FMCG stands for Fast Moving Consumer Goods, which is sometimes referred to as Consumer-Packaged Goods; it comprises those kinds of products that maintain a high turnover rate in the business world and are replaced as fast as they are consumed. FMCGs are products that people consume daily; they are fast-moving and therefore need replacement within a relatively short period. These are products used in everyday life and thus fall into broad categories of food and beverage products, personal care products, household items, and a host of others.

The core of any successful FMCG venture is rooted in an understanding of consumer behavior. The first step in the study of the success factors of new product sales is a properly conducted market research that highlights emergent trends, unserved needs, and fast-changing consumer preference. This foundational knowledge serves as a compass that guides product development and marketing strategy in meeting and exceeding the expectations of consumers.

Second, the distribution channels play a key role in amplifying reach and accessibility for the new product. Building solid distribution networks, optimizing shelf placement, and forging strategic partnerships with retailers are

some of the important components of ensuring wider availability and visibility. A frictionless and efficient distribution ecosystem can catalyze the uptake of new products and send them careening toward commercial success.

At the same time, huge power is exerted by pricing strategies on the perception of consumers and purchasing decisions. It is very important to achieve the perfect fit in which a balance between affordability and perceived value is attained in order to drive trial and foster repeat purchases. In addition, dynamic pricing models that respond to market fluctuations and consumer demand can confer a competitive edge within the dynamic FMCG landscape.

### Importance of FMCG in the Market:

The approach to pricing plays a huge role in determining consumer perception and purchasing decisions for FMCGs. Keeping the right balance between affordability and perceived value is key to competitive advantage. Price promotions, discounts, and bundling would therefore catalyze initial trial and adoption for new products while maintaining profitability.

Furthermore, product quality and consistency are salient ingredients for success within FMCG. Meeting or surpassing consumer expectations in terms of taste, performance, and reliability increases trust and loyalty. Constant quality control and feedback mechanisms should help

to address any issue in good time and maintain high standards.

Moreover, the ability to be fleet-footed and responsive to changing market dynamics allows one to steer clear of the dynamic forces that drive change in the FMCG landscape. Flexibility to adapt to changing consumer preference, industry trends, and regulatory requirements would be critically vital to relevance and competitiveness. That flexibility extends to product innovation and iteration in response to real-



time feedback and market insights.

### Key Characteristics of FMCG Products:

Fast-moving consumer goods are aptly named because they really do move through the supply chain and into consumers' hands fast. Here is the characteristic that really is the lifeblood of the FMCG industry and why:

**Frequent Consumption:** FMCG products are daily items of use, ranging from toothpaste and soap to milk and bread. People use them regularly, thus demanding them constantly.

**Low Inventory Levels:** A retailer needs to maintain low inventory levels due to the fast selling out of their stock. The goods reach the shops and are very quickly restocked and sold again, meaning the supply chain has to be maintained properly.

**Consumer Loyalty:**

The result of frequent purchases of FMCG products is brand and loyalty. Consumers get used to a particular brand and continue purchasing it over time.

### Overview of FMCG:

**Market Analysis:** Conducting thorough market research is fundamental before introducing a new product. Understanding consumer preferences, market trends, competitor offerings, and distribution channels helps in identifying opportunities and potential pitfalls.

**Product Differentiation:** Successful FMCG products often offer unique features or benefits that set them apart from competitors. Whether it's innovative packaging, improved functionality, healthier ingredients, or sustainable practices, differentiation is crucial for capturing consumer attention and driving sales.

**Brand Strength:** Established brands in the FMCG sector have a significant advantage due to brand recognition, consumer trust, and loyalty. Building a strong brand presence through effective marketing, advertising, and consistent product quality enhances the chances of success for new product launches.

**Distribution Channels:** The reach and accessibility of distribution channels play a vital role in the success of FMCG products. Leveraging a mix of traditional retail channels, e-commerce platforms, wholesalers, and direct-to-consumer models can maximize product visibility and availability.

**Price Point:** FMCG products are often price-sensitive, and setting the right price point is crucial for achieving sales targets and maintaining profitability. Pricing strategies should consider factors such as production costs, competitor pricing, perceived value, and consumer willingness

to pay.

**Consumer Insights:** Understanding consumer behavior, preferences, and purchasing habits is key to developing products that resonate with the target market. Utilizing data analytics,

## II. REVIEW OF LITERATURE

### R. Agus Trinamool-2018

The purpose of this study, to gain the evaluations of buyers to suppliers of new products on the aspects of supplier strategic policies of 4P's: place, and (2) to reveal performance, and the success of new products in market competition. The study design combined qualitative research methodology with a grounded theory strategy and it was interpreted using constructivism and pragmatism approaches; and started with the results of previous studies that have used the phenomenology-constructivism approach.

### Agarwal, A-2021

Innovations in fast-moving consumer goods play a substantial role. Companies invest resources to design and launch new products in order to keep up with the changing consumer demand and enhance their effectiveness in sales. It is therefore important that factors that help firms acquire and retain customers for their new products be known. Several factors, in different contexts and industries, have been severally discussed as the factors that may be responsible for the success or failure of products.

### Bandyopadhyay-2021

This research work aimed to consolidate all the factors associated with the process of new product selling in the FMCG sector and find their hierarchical relationships. Design: Factors were identified from the secondary data collected through an extensive review of literature, and the hierarchical relationships were found using the total interpretive structural modelling approach. A judgmental sample of 19 domain experts was selected for the research. Findings: The findings unveiled that the labelling and environmental consciousness are the key respective driving product-centric and consumer-centric factors that influence other success factors and hence determine the success or failure of new product selling.

### Beneke-2013

The findings will help the stakeholders in the FMCG industry to develop appropriate strategies for the selling of new products by taking into account these factors and their hierarchical relationships. Originality/Value: The factors that help firms succeed in new product



selling in the FMCG sector in the Indian context have not been explored in previous research studies. Moreover, this study has contributed to developing hierarchical relationships to elucidate the most significant driving factors.

### III. RESEARCH METHODOLOGY

#### RESEARCH GAP

Success factors in the sale of new products in fast-moving consumer goods have made great strides; however, quite a number of research gaps still exist. Even though existing studies have shown the different factors that influence the successfulness of new products in the FMCG sector, such as product innovation, brand image, distribution channels, and marketing strategies, in-depth exploration into a number of these areas remains. First, limited research exists that adequately considers the complex interplay between these factors and how such an interplay might differ in different market contexts. Second, there is limited knowledge of the role of new trends, such as sustainability and digitalization, for the success of new products in the FMCG sector.

#### NEED OF THE STUDY

Given today's competitive market landscape, the need to explore success factors for new products selling in the fast-moving consumer goods industry could not be greater. FMCG companies need to make sure that new products get adopted and sell successfully. Doing so, businesses will be able to see what consumers prefer, what trends are in the market, and what marketing strategies prove effective. Moreover, in a time of rapid technological developments and changing consumer behaviors, the identification of these factors gains importance if relevance and profitability are to be maintained.

#### PURPOSE OF THE STUDY

The study is aimed at fathoming the complex web of success factors that impact the sale of new products in the fast-moving consumer goods industry. Understanding these factors in great detail has never been more important for a business that aspires to launch and maintain successful products in a marketplace characterized by high competition and dynamic consumer preferences. The purpose of this paper is thus to provide comprehensive research that will unearth what determines the success of new products in the FMCG sector, entailing all aspects that pertain to market trends, consumer behavior, marketing strategies, distribution channels, and product innovation.

#### PROBLEM STATEMENT

It's in this regard that a good understanding of the dynamics of consumer behavior and market trends by businesses becomes important for the successful launching of new products in the fast-moving consumer goods sector. The study of success factors for the sale of new products in the FMCG sector will cover a very complex field. It will analyze variables like consumer preference, market competition, branding strategy, distribution channels, and pricing dynamics to identify key drivers that would impact the successful adoption and sustained profitability of new FMCG offerings. The comprehensive analysis done will help business persons hoping to maneuver the competitive landscape and optimize product launch strategies to be more aware in a changing FMCG market.

#### OBJECTIVES OF THE STUDY

1. The main purpose of the research is to identify and analyze the critical success factors that have a major impact on the effective launch and sale of new products in the fast-moving consumer goods industry.
2. Assess the effectiveness of a range of performance metrics used for measuring the success of new product launches in the FMCG industry.

#### RESEARCH DESIGN

The research design is a systematic to guide a research project. It involves employing scientific methods to investigate a phenomenon and gain new knowledge by relating it to existing information. By the phase, the central problem resolves around the existence of hidden agenda for cross-cultural training programs that may diverge from objectives and the impact over effectiveness of programs.

#### RESEARCH TYPE

Descriptive in nature

**Sampling Technique:** Random sampling technique was utilized for the purpose of the study.

**Random Sampling:** Random sampling is a technique where participants are selected from a population in a purely random manner, ensuring that each member has an equal chance of being included.

#### DATA COLLECTION METHODS

Primary data are those that have been personally collected or have been obtained with direct observation. It refers to original information collected specifically for a study from the field of inquiry. It is mainly obtained through the survey method using a questionnaire as the tool.

Secondary data refers to information that has



already been gathered and subjected to statistical analysis. It developed through different articles, publications, journals and websites for the company.

Population: 100

Sample Size: 50

Sample Unit: Panjagutta.

### QUESTIONNAIRE

For data collection, a well-designed questionnaire with clear questions was utilized. The survey instrument consisted of closed-ended questions, multiple-choice options and Likert-scale items.

**TOOLS USED:** Google Forms, Microsoft Excel, Charts, Bar graphs and Chi-square test.

### HYPOTHESIS:

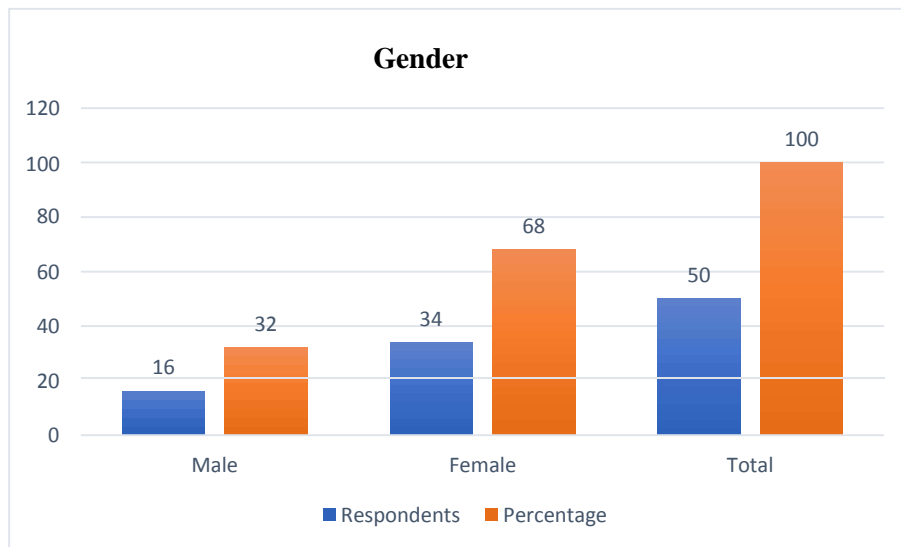
**H0:** The success of new products selling in fast-moving consumer goods is positively correlated with factors such as brand recognition, product differentiation, effective marketing strategies, and timely market launch.

**H1:** The success of new products selling in fast-moving consumer goods is negatively correlated with factors such as brand recognition, product differentiation, effective marketing strategies, and timely market launch.



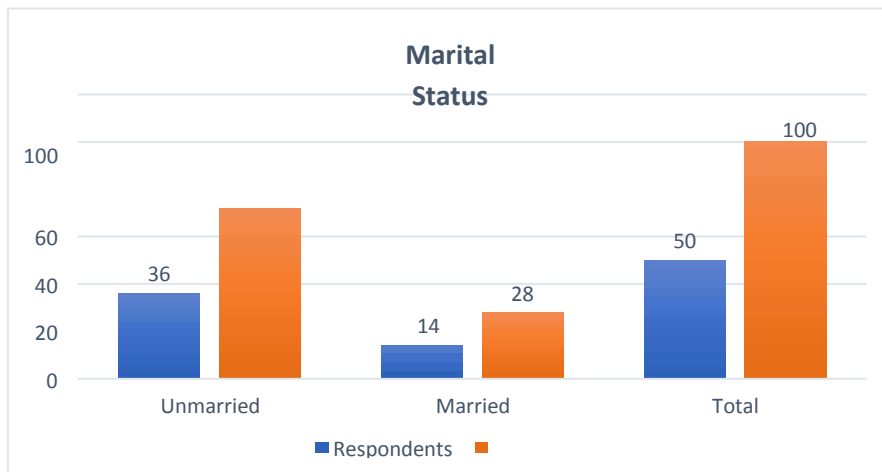
#### IV. DATA ANALYSIS

1. Gender	Male	Female	Total
Respondents	16	34	50
Percentage	32	68	100



**Interpretation:** The total respondents are 50 out of which male are 32% and 68% are female.

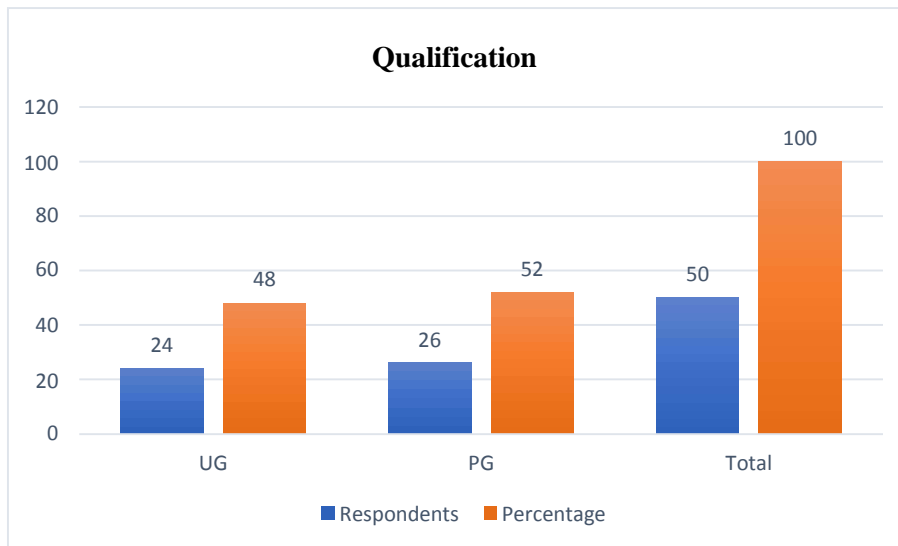
2. Marital Status	Unmarried	Married	Total
Respondents	36	14	50
Percentage	72	28	100



**Interpretation:** It is observed that 28% of the respondents are married and remaining 72% are unmarried.

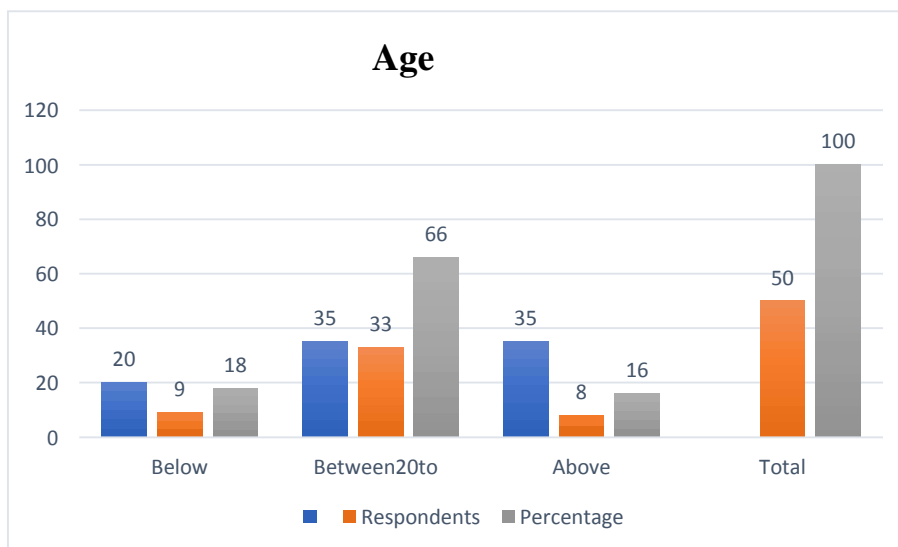


3. Qualification	UG	PG	Total
Respondents	24	26	50
Percentage	48	52	100



Interpretation: The most respondents are from PG of 52% as UG of 48% which follows with the difference of 4%.

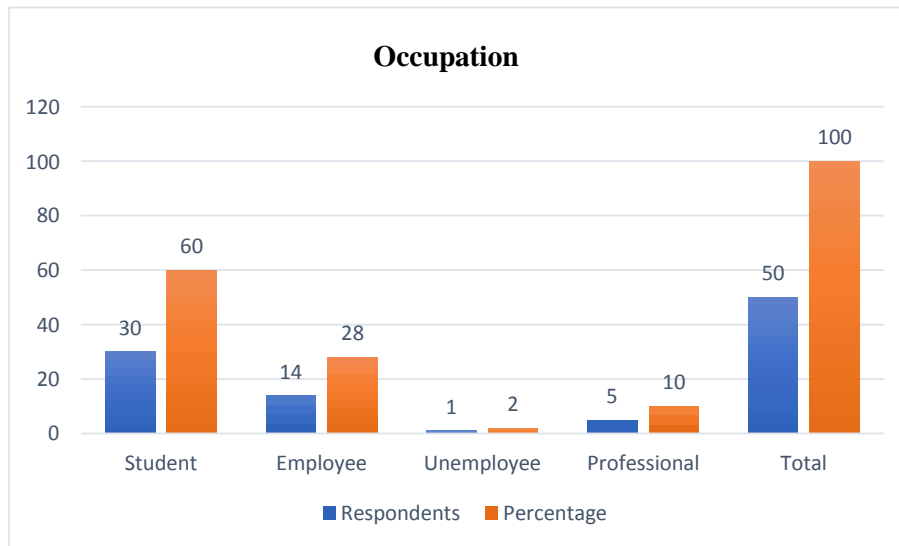
4. Age	Below 20	Between 20 to 35	Above 35	Total
Respondents	9	33	8	50
Percentage	18	66	16	100



Interpretation: Majority of the respondents followed in range between 20 to 35 with 66%.

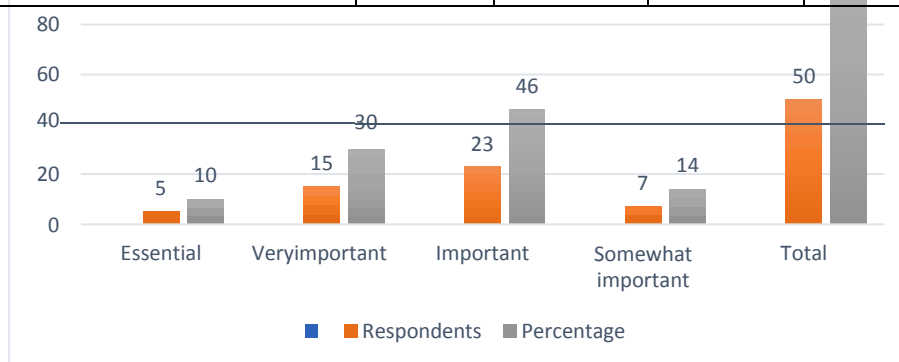


5.	Occupation	Student	Employee	Unemployed	Professional	Total
	Respondents	30	14	1	5	50
	Percentage	60	28	2	10	100



Interpretation: Most of the respondents are students, which contribute with 60% and next follows with employees of 28%.

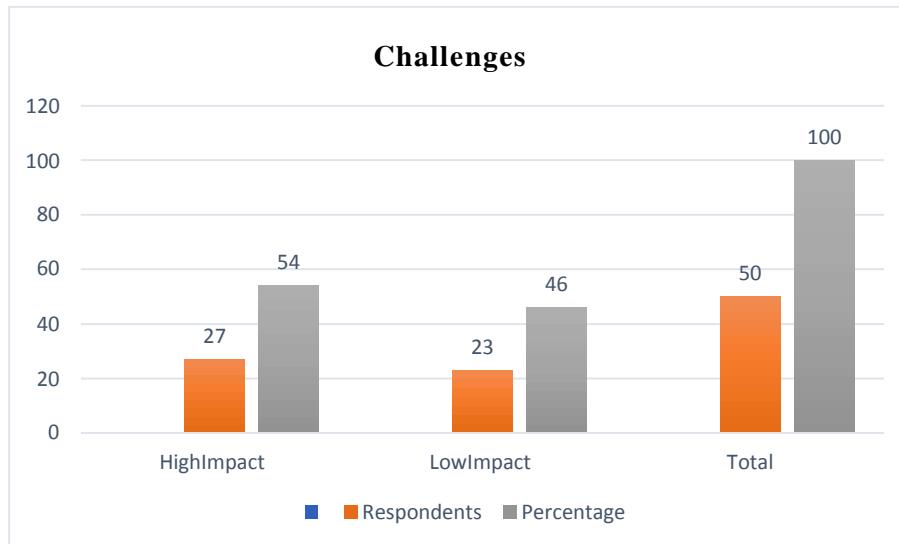
6.	How would you describe your familiarity with the fast-moving consumer goods (FMCG) industry?	Essential Familiarity	Very important	Important	Somewhat important	Total
	Respondents	5	15	23	7	50
	Percentage	10	30	46	14	100



Interpretation: Most of the respondents feel that familiarity with the fast-moving consumer goods (FMCG) industry.

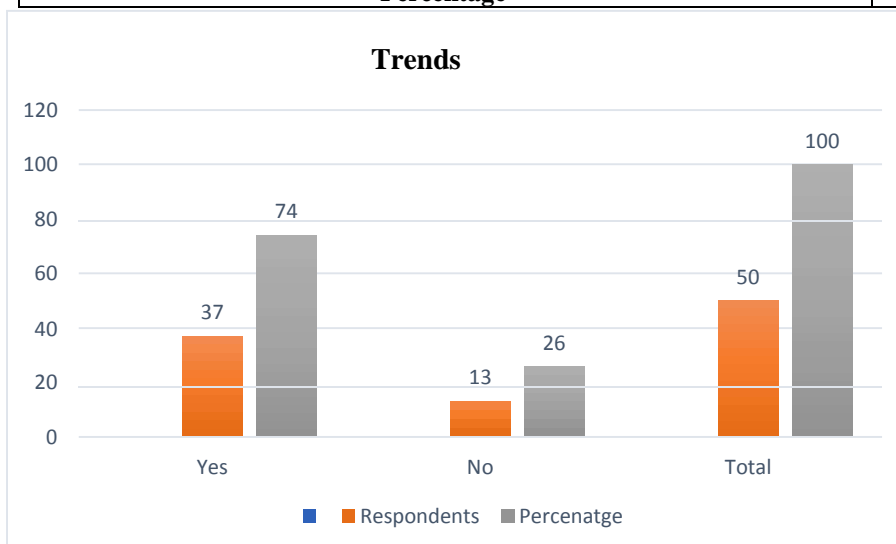


7. In your opinion, what are the key challenges faced in effectively launching and selling new products in the FMCG industry?	High Impact	Low impact	Total
Respondents	27	23	50
Percentage	54	46	100



**Interpretation:** 54% of the respondents believe that key challenges faced in effectively launching and selling new products in the FMCG industry.

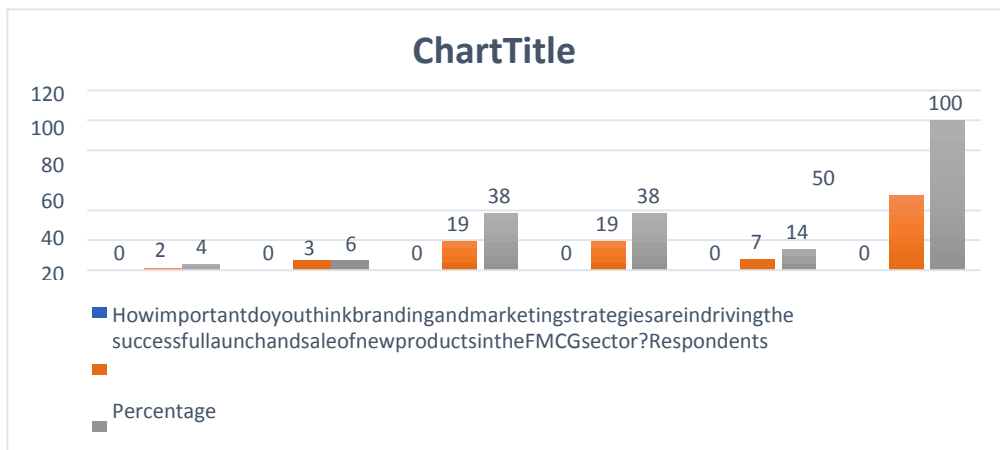
8. What role do consumer preferences and trends play in the success of new product launches in the FMCG industry?	Yes	No	Total
Respondents	37	13	50
Percentage	74	26	100



**Interpretation:** Majority respondents feel that the role does consumer preferences and trends play in the success of new product launches in the FMCG industry.

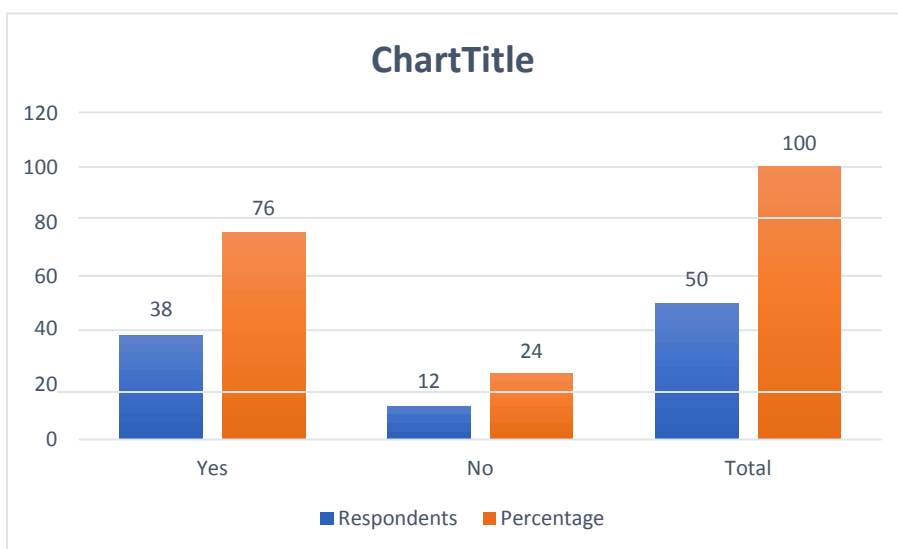


9. How important do you think branding and marketing strategies are in driving the successful launch and sale of new products in the FMCG sector?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
<b>Respondents</b>	2	3	19	19	7	50
<b>Percentage</b>	4	6	38	38	14	100



**Interpretation:** Most of the respondents follow through neutral and important do you think branding and marketing strategies are in driving the successful launch and sale of new products in the FMCG sector.

10. Do you aware of FMCG Products?	Yes	No	Total
<b>Respondents</b>	38	12	50
<b>Percentage</b>	76	24	100



**Interpretation:** 76% of the respondents were aware of FMCG Products.



### STATISTICAL TOOLS FOR ANALYSIS

**H0:** The success of new products selling in fast-moving consumer goods is positively correlated with factors such as brand recognition, product differentiation, effective marketing strategies, and timely market launch.

**H1:** The success of new products selling in fast-moving consumer goods is negatively correlated with factors such as brand recognition, product differentiation, effective marketing strategies, and timely market launch.

	High Impact	Low Impact	Marginal Rows Totals
Male	6(8.64)[0.81]	10(7.36)[0.95]	16
Female	21(18.36)[0.38]	13(15.64)[0.45]	34
Marginal Columns Totals	27	23	50(Grand Total)

The chi-square statistic is 2.5789. The p-value is 0.1083, the result is not significant at  $p < 0.05$ .

Since p value is less than 0.05, H0 Rejected and Accepted H1. **So**, the success of new products selling in fast-moving consumer goods is negatively correlated with factors such as brand recognition, product differentiation, effective marketing strategies, and timely market launch.

### FINDINGS

- The total respondents are 50 out of which male are 32% and 68% are female.
- It is observed that 28% of the respondents are married and remaining 72% are unmarried.
- The most respondents are from PG of 52% as UG of 48%, which follows with the difference of 4%.
- Majority of the respondents followed in range between 20 to 35 with 66%.
- Most of the respondents are students, which contribute with 60% and next follows with employees of 28%.
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- Most of the respondents feel that familiarity with the fast-moving consumer goods (FMCG) industry.
- 54% of the respondents believe that key challenges faced in effectively launching and selling new products in the FMCG industry.
- Majority respondents feel that the role of consumer preferences and trends play in the success of new product launches in the FMCG industry.
- Most of the respondents follow through neutral and important do you think branding and marketing strategies are in driving the successful launch and sale of new

products in the FMCG sector.

- 76% of the respondents were aware of FMCG products.

### SUGGESTIONS

- To effectively explore the critical success factors influencing the launch and sale of new products in the fast-moving consumer goods (FMCG) industry.
- It helps identify gaps in current knowledge that the research can address.
- Empirical research methods such as surveys, interviews, and case studies should be employed to gather primary data from industry professionals, stakeholders, and consumers.
- Surveys can capture a broad range of perspectives, while interviews offer deeper insights into specific experiences and strategies employed by companies in the FMCG sector.
- Case studies provide valuable real-world examples of successful and unsuccessful product launches, allowing for a detailed analysis of the factors at play.
- Data analysis techniques such as regression analysis, factor analysis, and qualitative coding can be utilized to identify patterns, correlations, and underlying themes within the collected data.
- Finally, the findings of the research should be synthesized and interpreted to derive actionable insights for FMCG companies seeking to improve



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### CONCLUSION

In conclusion, this research endeavor shed light on the intricate dynamics surrounding the successful introduction and sale of new products within the fast-moving consumer goods (FMCG) industry. Through a comprehensive examination of various factors influencing this process, we have gained valuable insights into the critical success factors pivotal to achieving effective product launches and subsequent sales. Our findings underscore the multifaceted nature of this industry, where numerous interrelated elements interact to shape outcomes.

Ultimately, our research underscores the imperative for continuous adaptation and innovation in navigating the fast-paced FMCG landscape. As technological advancements and shifting consumer behaviors reshape market dynamics, companies must remain agile and responsive to emerging trends and preferences. By prioritizing consumer-centric approaches, embracing digitalization, and fostering strategic partnerships, businesses can enhance their agility and resilience in an increasingly competitive environment, thereby maximizing their chances of success in new product launches and sales within the FMCG industry.