



# Three things that will make an impact on FMCG marketing, on the road to 2010

**It's** always great fun to do some crystal ball gazing. Even at the risk of being proved wrong eight times out of ten. An old colleague of mine used to call it "playing God", wherein for those few moments you paint the future canvas – how it would look, who will it impact, how do we deal with it etc. etc. So go ahead, laugh at it, but who knows, it might turnout just this way.

India in 2010 would be great place to be in. I can see the economic boom continuing (double digit GDP growths?), per capita incomes making more and more products and services accessible for a larger audience, better infrastructure (despite the governments!), telecom/internet being at the forefront of the changes, a changed retail landscape, and becoming a global power of sorts. Someone said this is what dreams are made of!

FMCG companies will obviously see great benefits from all this prosperity. Penetration of products would go up and so would per capita consumption, making most category sizes amongst the largest in the world. Economies of scale would stack up in favour and the return on the dollar invested would be better than ever before. Of course there, would be more competition, and organized retail would demand its pound of flesh - but what's life without its challenges?

Apart from all these (which even to the layman would be the blinding glimpse of the obvious), I would believe that there would be three changes in the Indian milieu, which FMCG marketers would need to factor into their plans/strategies and possibly exploit:

### **India would become a less cricket crazy nation:**

The retirement of Sachin Tendulkar would coincide with the decline (not demise) of cricket in India. We are just witnessing the start of the erosion in the game here, which hitherto enjoyed a quasi-religious status. This decline would have massive implications on FMCG, durables and telecom marketers who spend millions of dollars on cricket-endorsements, sponsorships and advertising. In my view, football (may not be Indian, could be English), motor sport, tennis and possibly golf would gain greater popularity over the next three years, though cricket would still be the number one sport. Marketers would need to start looking for new icons for their brands as well as fresher media opportunities. Broadcasters and event managers of cricket would need to buy and sell cricket at far lower prices than today. Those

taking long-term positions on cricket, hold on!

### **Indian labels would have greater respect and demand worldwide:**

There was a time when the made in India tag was something of an embarrassment. But with India becoming a hot nation (nothing to do with global warming here), Indian brands would be perceived positively and gain greater acceptance across the world. This, to my mind, represents a tremendous opportunity for marketers of FMCG products to look at the world as their oyster and not just focus on the domestic market. Globally, the focus should not be merely be on the Indian diasporas but transcend nationality / races. My inspiration would be the Korean brands like LG, Samsung, Hyundai as well as the growing popularity of Bollywood. There are several Indian FMCG brands that could make this transition - Kingfisher, Old Monk, Parachute, Dabur Chyawanprash, Aashirwad, Santoor, Fairever, Haldirams, Ruchi Pickles etc. Indian FMCG companies would need to develop marketing mix to suit the world palate.

### **Indian consumers would chase "look and feel good" services:**

As the consumer would continue to evolve and with greater global exposure, the Indian would possibly spend more on services in the health and beauty segment than products. Healthcare (hospitals, clinics, vet services, insurance) would assume great importance with consumers and so would wellness (rejuvenation, fitness, yoga, dieticians) as the consciousness of the Indian being more prone to disease like hypertension, diabetes, coronary attacks would increase. In the area of personal grooming, India would see more women and men going to salons and spending bucketfuls to customize looking good rather than just use mass market products which probably the less evolved would be doing. This would be a major shift in spending patterns of the Indian, which would require alteration in the very thinking of the FMCG marketer as he would need to add the S (read services) to fast moving consumer goods!!



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