

A Review Of Consumer Attitude Towards Sachetisation With Reference To Fmcg Products

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Introduction

Sachet marketing is used to attract the lower segment market. The main function of a sachet was to stimulate trial of small packs and upgrade the consumer to a bigger pack. This concept started in the late 1980s, but it gathered momentum in the 1990s. Sachet marketing has attracted big players and almost 70 per cent of the industry's revenues now come from shampoos. Today, sachets have been used in almost all product categories. The concept of smaller, low-priced unit packs like sachets has ensured penetration of products to untouched markets.

Sachetization concept was introduced mainly to attract rural population. In the big brand market of FMCG product small is attractive and also considered as beautiful. More importantly small is economical. The upsurge of Sachetization is changing the scenario of FMCG product marketing. In the present scenario the cost of small pack is much less than their larger packs across FMCG categories such as shampoos, detergents, tea and coffee.

Literature Review:

According to C K Prahalad thought that sachets play a crucial role in making products within the reach of the majority of people and led to increased consumption. While many top Indians fast moving consumer goods (FMCG) companies are trying desperately to get out of the small pack marketing.

According to LG Healthcare the effect of sachets on consumption shows that while they have led to attracting a larger customer base, but they are also responsible for a decrease in overall consumption level.

Jayashree Dubey et.al. (2003) felt that there is a need to cautiously redesign offerings to receive benefits from the smaller packaging. The image of a premium product needs to be maintained at the same time as offering the product to the lower segments of society without maintaining standards could prove disastrous for companies as they might lose customers who buy the brand as a status symbol.

Datta (2003) through a study identified that small packs is a method to increase the customer and hence increased volume of sales. But, more importantly, they open up new and more frequent occasions for consumption. HLL calls this low cost–high impact strategy ‘nano-marketing’

Despite the prevalent notion that rural customers are poor and would respond to price cuts, the marketer soon learnt that even in this segment, a price cut was a signal of low quality goods. This has caused the large or medium companies to go for the “sachet culture” (Dubey and Patel 2004).

Ramendra Singh et.al. (2009) Sachet marketing strategy does not necessitate the prevalence of poverty, and the critical success factors are an extensive retail distribution, favorable socio-cultural factors, higher perceived value of the consumers and technology to reduce packaging costs.

Ramendra Singh et.al. (2011) analyzed that companies use sachet marketing to facilitate trials of new products and to deliver value across the market by making products more affordable and accessible. The extensive network of corner stores provides the distribution system needed to reach the farthest and remotest markets. To be successful, the brands must be popular and priced in a manner compatible with the coinage system in a market.

Prashant B. Kadam et al (2012) analyzed that the respondents make a self decision to purchase, frequent use of shampoos, neutral behavior for change of shampoo, preferring the pack size are sachets and small bottles, influence of media especially T.V. plays a major role in awareness, customer satisfaction contributes the majority.

Objectives: This study attempts to focus on the following objectives:

- 1-To know whether the Sachetisation has helped achieving marketing objectives
- 2-To suggest strategies to realize objectives behind Sachetisation

Research methodology: This study is a review of studies on Sachetisation. This is based on theoretical and empirical studies.

Discussion: For inclusive growth and tapping of rural market products need to be within the purchasing power of consumers. Small pack is a strategy to increase the acceptance level and market penetration by attracting economically underprivileged or low income segment. A major solution was provided by some branded companies by introducing a smaller pack. This increases the affordability of the low income segment. Small packs cost a lot less than their large packs in FMCG products such as shampoos, detergents, tea, coffee, washing powder, cosmetics, hair oils, even chocolates. The competition between Hindustan Lever and P&G is making the consumer to enjoy low price. It's cheaper to purchase sachets of a product on a regular basis than family packs. The small pack strategy was primarily introduced to target rural consumer, but this strategy affected the sale of big pack. This type of marketing strategy helps to reduce the cost of packaging as sachet marketing requires simple



packaging. Reduction of cost is crucial for the success of the marketing strategy, but the quality of product should not be compromised. According to a study Sachets contributes to almost 60 percent of sales of shampoo sale in India with 51 introductions. Sachet marketing could not be all possible in all products, but in case it is possible, it definitely led to increase in sales. A rural consumer generally identifies the product based on its color, packaging and low price. Generally, sachets have been a major growth-driver in categories which are not "once-in-a-while" usage categories where branded products are offered at a lower price.

Conclusion

Sachet marketing could be regarded as a strategy involving designing and selling a product at an affordable price in a small pack. The success of Sachet marketing depends not only on the rural consumers, but also on the acceptance of products by consumers from urban and semi urban areas. In fact the small packs have become more popular in urban areas rather than rural areas. Global companies in India have to change the strategy from price to value by delivering consumers good quality products at fair price.

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