

Requirement Analysis of it for SCM and E Business and Challenges of Implementation

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Abstract – The Indian FMCG sector with a market size of US\$14.8 billion is the fourth largest sector in the economy. The FMCG market is set to double from USD 14.7 billion in 2011-12 to USD 30 billion in 2013. FMCG sector will witness more than 60 per cent growth in rural and semi-urban India by 2014. Indian consumer goods market is expected to reach \$400 billion by 2014.

Hair care, household care, male grooming, female hygiene, and the chocolates and confectionery categories are estimated to be the fastest growing segments. At present, urban India accounts for 66% of total FMCG consumption, with rural India accounting for the remaining 34%. However, rural India accounts for more than 40% consumption in major FMCG categories such as personal care, fabric care, and hot beverages.

Keywords: FMCG, Sector, Market

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INTRODUCTION

In urban areas, home and personal care category, including skin care, household care and feminine hygiene, will keep growing at relatively attractive rates. Within the foods segment, it is estimated that processed foods, bakery, and dairy are long-term growth categories in both rural and urban areas. The growing incline of rural and semi-urban folks for FMCG products will be mainly responsible for the growth in this sector, as manufacturers will have to deepen their concentration for higher sales volumes.

Creating strong brands is important for FMCG companies and they devote considerable money and effort in developing brands. With differentiation on functional attributes being difficult to achieve in this competitive market, branding results in consumer loyalty and sales growth.

Given the fragmented nature of the Indian retailing industry and the problems of infrastructure, FMCG companies need to develop extensive distribution networks to achieve a high level of penetration in both the urban and rural markets. Once they are able to create a strong distribution network, it gives them significant advantages over their competitors.

As FMCG companies concentrate on brand building, product development and creating distribution networks, they are at the same time outsourcing their production requirements to third party manufacturers. Moreover, with several items reserved for the small

scale industry and with these SSI units enjoying tax incentives, the contract manufacturing route has grown in importance and popularity.

The unorganised sector has a presence in most product categories of the FMCG sector. Small companies from this sector have used their location advantages and regional presence to reach out to remote areas where large consumer products have only limited presence. Their low cost structure also gives them an advantage.

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, and grocery items. Though the profit margin made on FMCG products is relatively small, more so for retailers than the producers/suppliers, they are generally sold in large quantities. FMCG is probably the most classic case of low margin/high volume business. Many of the players on the retailer side such as Walmart, Carrefour are among the largest and most recognized global companies. Global leaders in the FMCG segment include Johnson & Johnson, Colgate-Palmolive, Kellogg's, Heinz, Nestlé, Unilever, Procter & Gamble, L'Oreal, The Coca-Cola Company, General Mills Inc., PepsiCo.

As the Fast Moving Consumer Goods are low priced and many brands and companies are involved in the manufacturing and production of same categories of products, it becomes really

difficult to project a special place in the minds of the consumers. Therefore, marketers have to think of special plans and ways in which they can attract consumers towards their products even at the time of normal economic circumstances or at the time of boom in the economy. Therefore, at the time of recession, the difficulties increase even more.

REQUIREMENT ANALYSIS OF IT FOR SCM AND E-BUSINESS

As we all have seen or heard about the most recent recession that has affected the world economy really badly, it became difficult for many industries to survive. Similar is the case with FMCG as well. As it is a low priced and high volume area to work upon, it became really difficult for sellers to make or increase the profit margin regarding the same. The main reason for this is that due to recession and a need to save money people prefer buying cheaper brands as compared to high expensive ones.

Due to the profit margin being lower than other industries, it becomes really difficult for these FMCG companies to sustain and survive. Brands that take a proactive stance and treat the recession as an opportunity are likely to come out of the recession stronger than before.

Packaging is the essential and significant factor which largely persuades the consumer buying behavior. It can be considered as one of most valued tool in today's marketing communications, acquiring additional detail analysis of its elements and an influence of such elements on consumers buying behavior. The influence of package and its elements on consumer's buying decision can be demonstrated by evaluating an importance of its separate elements for consumer's preference. For this objective main package's elements determines are: color, size, shape and material of packaging are considered most important.

If packaging has attractive and right tone of colors that delivers clearly the message of your product then it will influence consumer buying behavior and consumer will purchase that product. Furthermore color encompasses us and influences us in every day of purchasing; it can strike consumers economically and psychologically. Color acts on human mind, bodies, and emotions. So using color smartly can visually set manufacturers apart from competitors.

Mostly consumer wants products that have attractive shape and which are easy to use and carry. It also implies that using attractive packaging shape can capture customer attention. So attractive packaging shape can make a brand unique, can create an iconic brand image, supports in affirming brand name, retain its distinctiveness, and stands out on the shelf. Shape adds value in the physical

appearance of a brand and intensifies its aesthetics components.

The information which is properly delivered can hold powerful influence on consumer buying preference which in result boosts the reliability of a product. Labeling on the product could help consumers to make choices on the product to purchase and also teach them in what way to use product, its name, and price, content and appropriate information.

This shows that there is a 100% equal connection amongst consumer buying behavior and good quality of material used, if the good quality is used in packaging material then it will attract consumer. Since material can change the overall perception of consumer regarding to the product quality. Then second most important aesthetic element for consumer is color of packaging because color is a most powerful element of packaging that can attract massive customer to the product. If packaging possesses attractive and right tone of colors that delivers clearly the message of product can persuade consumer behavior. A color delivers consumers a happy feeling. Packaging that has attractive and appealing colors bring a point of difference to a product and the brand can have certain color ownership.

In today's busy and critical time running period, people want updated information instantly, with the help of just one click on the site. They are floating product and services for marketing purpose on their web pages, that help consumer to find about their products or their services or their company's information. We create a base or a foundation by explaining or defining how digital marketing work. And also how to identify and distinguish it and its components as well. It's a very crucial task for companies or marketing and advertising sectors to build up a website that will define company's products, services and other factors that is link with marketing.

DISCUSSION

Planning and building a web is a crucial and the difficult strategy. For building up a web designing it needs to first build up online web, writing an online articles regarding product or services, established a social media page, and online newspaper or press release and also e-mails, newsletters etc. It helps you to connect with your audience online through search engine, paid and un-paid online advertising channels, social media networking etc.

We know that nowadays how powerful social media is now becoming for digital marketing purpose. Social media like Facebook, Twitter, Linked inn, YouTube, Blogger etc. that keep your customers update with product information and details. E-marketing help you to wide up the information throughout the globe. Now web

designing of companies become way too necessary.

Millions of people nowadays access internet throughout the world. As we know that digital marketing nowadays is the best way for the companies to advertise their product. The target audience increases almost 60% to 70% as compare to the traditional advertisement coz our target audience are mostly youth sector who spend more time internet rather than TV or reading Newspapers etc. As we know the internet mostly used for the working purpose business people or other educational people so the advertisement done on those webs are mostly sophisticated and not loud.

The audience of e-advertisement are unlimited, it can be male/female, youth, elders, young, adults etc. so it's easy for the marketers to capture almost everyone through internet marketing or web-marketing. Different professionals, different culture, different audience, all can be captured with online advertisement on Google. In this way company cost decline and revenue maximizes.

Online shopping nowadays has become a great asset for the E-marketer and online shops. The study shows that nowadays consumers are highly effected through online shopping, product types, and promotional offers which they receive from online shops. The researcher used statistical technique and multiple regression for collecting the data through Simple Random Sampling Method.

E-consumers are increasing rapidly throughout the world. Through study we analyze that internet marketing has become a norm all over the world. People are bounded with internet shopping and online marketing. As we know that living in this fast moving marketing place, it's hard to for the customers to get all information by survey physically throughout the market.

E-marketing help consumers to be in-touch with latest fashion without going and visiting market place physically. If you get access with shop online, or if they have your personal contact number, they give you updates and direct information regarding marketing, new-trends, price, new deals, latest design, fashion etc. you get all the updates by just sitting at your home through messages.

Nowadays customers are relying mostly on e-shopping rather than the traditional shopping. They are relaying on these online shops and their online marketing technique. This way consumers are free to check different websites of the same product of different companies, easily check the price difference, design difference, uniqueness etc. As these online marketing is available 24/7 you are not bound to search only for limited time period. As compare to traditional shopping, digital marketing help consumers to buy latest product and services

without any physical stress for surveying the whole market.

Internet is a great marketing tool for nowadays in the marketing purpose. E-Marketing nowadays is a fast growing field for marketing firms. For the global marketing change internet has played a great role in it. Through the research we found that digital marketing effect and increase the sales tremendously. Because of this mostly companies are trading and supplying goods from one country to another. The consumer response changes for buying goods and services through E-marketing techniques.

SIGNIFICANCE OF THE STUDY

With the help of E-marketing the products of one country can easily transfer to other country. Through the help of E-marketing mostly every countries are getting some benefits and products from other host countries. For better understanding the online consumer behavior we have to learn their ethics, belief, norms, values, culture, religion and tradition as well. For this major differences most of the companies have to follow the host norms and beliefs to sell their products in that country. For this cross-cultural study is very necessary. Nowadays the developing and develop both kinds of countries are equally realizing the importance of E-marketing.

The global economic crisis is highly effecting economies of both home and host countries. So by digital marketing consumer can directly call the companies to buy that companies product and get those products from shipments or other international buying tools. The cost and expenses totally paid by companies or individual who is purchasing that product, so that's the reason government also help and support them. Although nowadays government and private sectors understanding the importance of digital marketing, so they also help consumers how to get product through online marketing. It also helps host countries companies by giving them as a middle-man profit. They appreciated that because they earn high profit in this way.

With the overall survey and research we come to the point that all independent digital marketing variables such as print media marketing, network marketing, goods & services marketing, fast moving consumer goods marketing, social media marketing, online Shopping marketing and global marketing all are positively relating to digital marketing, that is why all hypothesis has been accepted in this research paper.

Survey statistics shows that the growth of digital marketing has rapidly increase since past few years, with the increase of technologies and its multiple usages. We use three type of test Descriptive analysis, Correlation test and

coefficients test which has clearly shows that print media, network marketing, goods & services advertisement, fast moving consumer goods, social media, online Shopping plays an important role in the success of digital marketing. Different online business and social webs has highly effecting digital marketing to grow more.

CONCLUSION

Today's business is totally depending on online buying and selling so the companies for selling online products are relaying on E-marketing, advertising, promotion of their product throughout the world. That is why digital marketing becomes a key for success for online or global business. With the study we analyzes that people are more interesting to see digital marketing rather than watch advertisement on TV, billboard, magazines, books, pamphlets, newspapers etc. It update customers time to time on different apps by showing them short ads on Facebook, Whatsapp, Google, Twitter, YouTube, e-mails, e-webs LinkedIn and other online marketing tools. And also doing online shopping through online shopping webs like daraaz.pk, Oracle, ebay, amazon, flipkart.com etc.

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