

Markets for further expansion of FMCG products including rural markets



I am a brand manager for face creams in the premium segment. I have to identify potential markets for expansion. Our distribution is good in both urban and rural areas.

DATA REQUIRED FROM THE GUIDE

- Market Intensity Index MII - Volume I
- Contribution from FMCG consumption to MPV - Volume I

SOLUTION

As the distribution is good, we consider district as a composite unit of urban and rural demand. Since the cream is positioned as a premium product, the per capita potential (MII) which is an indicator of the quality of the market along-with contribution from FMCG will be relevant. Further the task is to expand markets to emerging new markets, which means we have to select potential districts beyond metros and mini metros and then prioritise. Table alongside illustrates such an approach for select districts of Maharashtra.

Example: Listing next tier districts with potential for FMCG products in Maharashtra.

State rank by MPV	District	Grade	MII	Contribution from FMCG to MPV	Analysis
			1	2	3 = 2*1
11	Satara	A	111.96	6.19	692.53
12	Sangli	A	119.27	5.98	712.67
13	Amravati	A	113.74	5.64	641.51
14	Nanded	A	88.07	5.65	497.47
15	Yavatmal	A	95.58	5.20	496.96

RESULT

Beyond the top ten districts, we see potential in the above listed districts. Though Sangli has a lower MPV when compared to Satara, it emerges a potential town for FMCG product in the premium category. Further analysis on how to focus within the urban and rural areas of the district can be done using Volume II of the Guide.