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## What's the fuss over FMCG?

Christine Khor looks at the pros and cons of a career in FMCG.

Latently it seems as if every job advertisement says: "FMCG experience an advantage." Companies that aren't even in the FMCG industry want FMCG experience in their new hires. And because job seekers are constantly faced with this barrier, they all want to work with FMCG to give themselves the best chance of securing those coveted roles.

So what's the fuss over FMCG and why does everyone want it? First of all, what does FMCG really mean? Everyone knows it's an acronym for fast moving consumer goods, but that's when the definition gets grey. Everyone has a slightly different interpretation, often depending on what industry they work in. Here's how we'll define it...when you walk down the aisle of your local supermarket and can pick the product off the shelf, it's classified as an FMCG.

But it's still not that easy. Stationery manufacturers could argue that they're in grocery therefore they're FMCG. Let's compare the difference between a carton of milk and a pen. Milk is a high-volume product that is restocked several times a day (hence the name fast moving); it has a short shelf life and is considered an essential. Pens, on the other hand, are purchased occasionally, have a long-term expiry date and could be considered luxury items. So milk is FMCG and a pens are consumer goods. For the purposes of this article, we'll say that FMCG are any household essentials that are sold through the grocery channel.

There are good reasons why employers want people with household product manufacturing and marketing experience. Marketers



within FMCG are total business managers for their categories. They manage the entire process from research and development, manufacturing, product launches and ongoing marketing management. They are marketing generalists with involvement in all aspects of their products while in many other industries, marketing has become highly specialised. There are product managers responsible for a specific part of the product's life; then there are marketing communications specialists who manage another area of the same product or insight managers who are accountable only for research... and the list goes on. That's why FMCG marketers are different and more like business managers. They manage all of these specialised areas themselves.

FMCG is a tough market that's all about incremental advances rather than huge year-

on-year growth. They have to focus on other things, not just the marketing, to sell product. The grocery distribution channel is extremely challenging because shelf space and position is at a premium. It's essential to get forecasts right because running out of stock can mean disaster in this high-volume business.

As a total business manager, strong financial analysis is essential. FMCG marketers know how to crunch data and make that information relevant to the business. Sometimes relatively simple decisions, like changing a package design, could have dramatic financial repercussions. As the margin for error is slim, it needs to be analysed; will the sales generated by the new packaging outweigh the costs? To make this decision, it's important to have an understanding of the total business and how a product or category contributes to the bottom line.

FMCG is a misnomer – the product might move fast once in grocery, but everything else leading up to that product launch is slow. It takes years of research for products to be developed and this is just one of the reasons why large FMCG companies spend huge amounts of money on research and systems. The benefit of working in the FMCG industry is a process-driven approach. It's also why cutting edge marketing strategies and disciplines come from this industry.

In commodities, it's hard to create an emotional bond. It's easy to form a relationship with a new luxury car, but how to do that with a tin of baked beans? And what's the difference between one brand of baked beans and another? These products are low involvement, price sensitive and have to appeal to a mass market. Food marketers must work harder and

smarter to capitalise on every advantage. That's why every new packaging idea on a well-worn product is heralded as a marketing feat. I can't imagine how excited the marketers were when someone came up with the idea of having a squeezable tomato sauce bottle.

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Even a new sticky label to close a pack of chocolate pieces is a selling feature these days. The development of new innovations in this market are long in the research realms, poked and prodded by focus groups and are under constant scrutiny due to the enormous resources tied up in their success. A food marketer may be working for months, even years, on just a single packaging advancement, so it takes a certain level of commitment and diligence.

But before we jump on the FMCG bandwagon, there are some limitations. The

downside of sophisticated processes, technical data and research is that FMCG marketers are not necessarily trained to make interpretations based on 'gut feel'. If your industry or company isn't highly structured and is more instinctive, a person from FMCG might not be the right

cultural fit. The FMCG industry is also used to dealing with long lead times. If your company turns on a dime and needs to change directions quickly to react to marketplace forces then someone with FMCG experience might not be as adaptable.

And, finally, because these people are in demand as employees they cost a lot of money. The salary range can be double that of marketing professionals from other industries. Given this fact alone it's important to determine whether they will make a return on your

investment or if another candidate, qualified but with non-FMCG experience, could also contribute to your business just as well without the overhead.

For those people trying to get a foot into FMCG, there is a couple of traditional ways. Start at the bottom, usually as a sales executive after graduating with a bachelor of business in marketing, and work your way up. Or gain experience in another industry and sacrifice salary to get into FMCG. But before making this decision, consider if FMCG is right for you. The long lead times, statistical analysis and processes demanded in this industry may not suit people who work better in a more dynamic environment. Ask yourself if this is the kind of marketing for you or if you just want to do it because everyone else seems to want it.

It's clear why many companies and job seekers are keen to have FMCG experience. But some companies will never need the experience of an FMCG marketer and some people may never want to practise this kind of marketing. It's important to be aware that while FMCG know-how is valuable, it isn't the be all and end all of marketing. Now you know what all the FMCG fuss is about. **M**