

Customer Preferences Declining Sales Of Nutraceutical Products In Chemist Shops – A Case Study

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Abstract- *Consumer preferences is most important for fast moving consumer goods because consumers are very much interesting in price sensitivity, brand loyalty, convenience, shopping channels and ethical product practices Based on reviews, the study also seeks to understand the factors influencing the relationship between consumer preferences and the availability of products in chemist outlets and also this case study investigates the potential link between changing consumer preferences towards Nutritional Drinks and the stocking behavior of chemist outlets. This case study employs a quantitative approach, secondary data for sales FND chemist outlets in the Tiruchirappalli region of Tamil Nadu. The quarter-wise sales data of functional nutritional drinks from the year 2022 December quarter to 2024 March quarter have been analyzed. The sampling technique employed is simple random sampling, drawing data from a chemist outlet in Thiruchirappalli . This case study investigates the potential link between changing consumer preferences towards Nutritional Drinks and the stocking behavior of chemist outlets.*

Keywords: Consumer Preference, Sales Analysis, Stagnant Sales

I. INTRODUCTION

Consumer preferences is most important for fast moving consumer goods because consumers are very much interesting in price sensitivity, brand loyalty, convenience, shopping channels and ethical product practices. Hindustan Unilever Limited (HUL) India, is the country's leading Fast-Moving Consumer Goods (FMCG) company. Owned by Unilever, a British multinational giant, HUL boasts a presence in millions of Indian homes. Hindustan Unilever Limited's (HUL) Horlicks and Boost are established FMCG (Fast Moving Consumer Goods) brands traditionally sold in chemist outlets alongside pharmaceuticals. Their vast product portfolio spans across food and refreshment (think tea and nutritional

drinks like Horlicks and Boost), cleaning agents (soaps and detergents), personal care products (shampoos and skincare). They are the key player in shaping the India's FMCG landscape. The Horlicks is a malted milk drink that is often consumed by children and adults as a nutritional supplement. It is available in a variety of flavors, including chocolate, vanilla, and strawberry (Classic malt, Lite Horlicks, Junior Horlicks, Mother's Horlicks, Women's Horlicks, Horlicks Protein plus, Horlicks Diabetes plus, Horlicks Growth Plus), Boost, Viva, Maltova. Nearly 83% of all outlet's functional nutritional drinks categories are owned by HUL products. In general Consumer preference are influenced by personal, social, psychology and economic factors. However, recent trends suggest a decline in sales of these products in pharmacies. This case study investigates the potential link between changing consumer preferences towards Nutritional Drinks and the stocking behavior of chemist outlets.

II. REVIEW OF LITERATURE

(Kumar,2021), the study focused consumer behaviors and attitudes toward health drinks in the FMCG sector. The study revealed that consumers' purchase decisions influencing the attributes such as health consciousness, taste preferences, and price. However, lack of innovative marketing strategies and limited in-store promotions were identified as contributing factors to stagnant sales in traditional outlets like chemist shops. (Al Admin,2018) analyzed the impact of Facebook marketing on brand awareness with a case study on GlaxoSmithKline's Horlicks in Bangladesh. The study found that social media campaigns significantly improved brand visibility and consumer engagement. However, it also highlighted that reliance on digital platforms might reduce focus on traditional retail channels, including chemists, leading to sales stagnation in those outlets. (Chowdhury,2018) examined the distribution operations of GlaxoSmithKline in the Dhanmondi territory of Bangladesh. The findings indicated that distributor prioritization and supply chain

efficiency directly affect product availability at retail outlets, including chemist shops. Lack of consistent distributor engagement and irregular restocking cycles were identified as major hurdles impacting sales at these points (Selvan and Sobika, 2018) explored consumers' awareness and preferences toward selected health drinks. Their study emphasized that while awareness levels are generally high, consumer preferences are increasingly shifting towards new brands and alternative nutritional products. This trend poses a challenge for established products like Horlicks and Boost in chemist outlets. (Gautam et al., 2018) studied consumer behavior towards functional foods in Eastern Uttar Pradesh. The research highlighted key market drivers such as health benefits, brand reputation, and affordability. Challenges noted included weak promotional activities in conventional retail spaces, limited product innovation, and lack of targeted marketing, which contribute to stagnant sales. (Garg et al., 2017) conducted a pilot study evaluating plaque pH changes in children after consuming health drinks. While clinical aspects were the focus, the study indirectly emphasized growing parental awareness about the health impact of nutritional drinks, suggesting a potential for targeted educational marketing in chemist outlets, which currently remains underutilized. According to FICCI (2023), the Indian nutraceutical market has experienced consistent growth driven by rising health awareness, yet sales in traditional retail outlets like chemists have shown stagnation due to increased competition from modern trade channels and e-commerce platforms. (Kumar, Jain, 2022) highlighted that consumer buying behavior for health drinks is shifting toward convenience stores and online platforms, reducing footfalls in chemist outlets. Chemist outlets play a significant role in distributing over-the-counter (OTC) health products, including fortified beverages like Horlicks and Boost. (Singh, 2021) noted that chemists act as both point-of-sale and influencers, recommending products to customers. However, recent studies indicate a decline in chemist-based recommendations due to the absence of incentives from companies and a focus on pharmaceutical products over FMCG goods. (Chatterjee, 2020) emphasized the critical role of in-store promotions and sales incentives in driving FMCG sales. Many companies prioritize modern retail and digital marketing, neglecting direct marketing efforts in chemist channels. This has contributed to declining product visibility and purchase momentum in these outlets. A study by (Deshmukh et al., 2023) revealed that consumer trust in chemist outlets for purchasing health-related products remains high, but variety-seeking behavior and price sensitivity are influencing buyers to explore online discounts and supermarket offers. Awareness campaigns for products like Horlicks and Boost are often not targeted specifically to customers visiting chemist shops. (Rao, Mehta, 2022) identified supply chain inefficiencies, irregular restocking, and

limited distributor engagement as contributing factors to stagnant sales in traditional outlets. Distributors often prioritize high-margin pharmaceutical products over low-margin FMCG health drinks, leading to stockouts and reduced availability. There are many factors influenced the consumer behaviour such as product development, marketing strategies, competitive strategies, and addressing evolving consumer preferences. Based on reviews, the study also seeks to understand the factors influencing the relationship between consumer preferences and the availability of products in chemist outlets and also this case study investigates the potential link between changing consumer preferences towards Nutritional Drinks and the stocking behavior of chemist outlets.

III. RESEARCH DESIGN

This case study delves into the puzzling phenomenon of stagnant sales for Horlicks and Boost, well-established nutritional drinks, within chemist outlets in the Tiruchirappalli region of Tamil Nadu. In the traditional landscape of India's FMCG (fast-moving consumer goods) market, chemist outlets reigned supreme as the go-to destination for nutritional drinks like Horlicks and Boost, often categorized as FND (food, nutrition, and drinks) products. But in recent times, grocery outlets have expanded their FND sections, offering consumers greater convenience and potentially influencing buying habits. Consumers no longer have to rely solely on chemist shops to find Horlicks and Boost. If consumer preferences shift towards functional nutritional drink products, then chemist outlets are likely to stock fewer traditional FMCG goods like Horlicks and Boost. This factor of change in the purchasing behavior of consumers towards FND products affects the stocking nature of the chemical outlets. In this research try to analyse why might Horlicks and Boost sales be declining in chemist outlets? Would you prioritize stocking Horlicks and Boost, or would you focus on other products? Why? What are some creative ways Horlicks and Boost could improve their appeal to customers, especially in chemist outlets? The research objective has framed as to understand chemist and customer perspectives on product demand. This case study employs a quantitative approach, secondary data for sales FND chemist outlets in the Tiruchirappalli region of Tamil Nadu. The quarter-wise sales data of functional nutritional drinks from the year 2022 December quarter to 2024 March quarter have been analyzed. The sampling technique employed is simple random sampling, drawing data from a chemist outlet in Thiruchirappalli. This data show that the chemist outlets show a static replenishment of FND products. Sales data of FND (functional nutritional drinks) Products, Horlicks and Boost in chemist outlets, mainly pharma retail and pharma wholesale channels have been analyzed to identify significant changes.

Based on the sales data of around 483 chemist outlets in Tiruchirappalli region, show a graph slightly stagnated in the sales of FND. The Microsoft Excel is used for storing data. The Python program is used for data analysis and creating charts. This show chemist outlets keep on purchasing limited and regular stocking counts of FND products. Secondary data were used for review of literature and it was helped to set the research objective.

IV. RESEARCH DISCUSSION

The convenience factor plays a role in consumer preference shift. Small supermarkets are frequently located closer to homes than pharmacies, making it easier to grab these drinks during a grocery run time. The perception of Horlicks and Boost might be shifting from medicinal to everyday nutritional drinks, making supermarkets a more natural fit for their purchase.

Pharmacies might be prioritizing shelf space for higher-margin prescription medications over nutritional drinks like Horlicks and Boost. This could include profit margins on these products compared to pharmaceuticals, shelf space limitations, and the perceived relevance of Horlicks and Boost to a Functional Nutritional Drinks-focused customers.

The study also investigated the rise of e-commerce and direct-to-consumer sales by other channels, potentially bypassing traditional distribution channels like pharmacies in the sales of nutritional drinks products.

Historical Sales Trends (2022-2023)

The sales of FND have shown a positive upward trend. The average quarterly sales increased by 3.06% from 2022 to 2023, rising from an average of \$5.73 million to \$5.90 million. The data also suggests a recurring seasonal pattern, with sales generally peaking in the September and December quarters.

Forecasted Growth and Projections (2024)

Based on the forecast, the positive trend is expected to continue. The sales are projected to grow by 2.63% from the June Quarter to the December Quarter of 2024, with the forecasted sales reaching \$6.38 million by the end of the year.

Confidence in the Forecast

The confidence interval, which represents the range of likely outcomes for the forecast, widens over time. This is a common and expected behavior for forecasting models, as the

uncertainty of predictions increases further into the future. For instance, the confidence interval for the June 2024 Quarter is approximately \$997,879, while it expands to about \$1.01 million for the December 2024 Quarter.

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The blue line, representing historical "Values," shows quarterly sales data from the March Quarter of 2022 to the March Quarter of 2024. The trend is generally positive, with sales fluctuating between approximately \$5.37 million and \$6.21 million. There appears to be a seasonal pattern where sales tend to dip in the first half of the year (March and June Quarters) and then increase in the second half (September and December Quarters). The linear trend line (dotted blue) confirms this overall upward trajectory.

Forecasted Sales (2024)

The orange line, labeled "Forecast," projects sales for the remaining quarters of 2024, starting from the June Quarter. The forecast predicts a continued increase in sales throughout the year. The projected sales are expected to grow from approximately \$6.22 million in the June Quarter to \$6.38 million by the December Quarter.

Confidence in the Forecast

The confidence in the forecast is illustrated by the gray and yellow lines, representing the Lower Confidence Bound and Upper Confidence Bound, respectively. The gap between these two lines indicates the range within which the actual sales are likely to fall. As the forecast extends further into the future, the confidence interval widens, reflecting a natural increase in uncertainty. For example, the forecast for the June Quarter of 2024 has a narrower range than the forecast for the December Quarter of 2024.

Historical Growth: An analysis of the historical data from 2022 to the March quarter of 2024 shows a consistent upward trend, with a notable seasonal pattern. Sales tend to peak in the latter half of the year (September and December quarters) and dip slightly in the first half.

Forecasted Continuation: The forecast for the remainder of 2024 predicts that this positive growth will continue. By the end of the year, sales are projected to reach approximately \$6.38 million.

Increasing Uncertainty: As the forecast extends further into the future, the range of possible outcomes widens. The increasing gap between the lower and upper confidence bounds indicates that the certainty of the prediction decreases over time, which is a standard characteristic of forecasting models.

V. CONCLUSION

This case study will contribute to understanding the potential impact of changing consumer preferences on the stocking behavior of chemist outlets. The findings can inform HUL's sales strategies and product development to remain relevant in the evolving Functional Nutritional Drinks market, potentially including pharmacy-specific product variations or targeted marketing campaigns within these outlets.

Timeline	Sales of FND	Forecast	Lower Confidence Bound	Upper Confidence Bound
2022 - March Quarter	5368404.23			
2022 - June Quarter	5508155.08			
2022 - September Quarter	6093535.57			
2022 - December Quarter	5945438.79			
2023 - March Quarter	5751181.07			
2023 - June Quarter	5549319.25			
2023 - September Quarter	6214870.7			
2023 - December Quarter	6102261.17			
2024 - March Quarter	6175978.15	6175978.15	6175978.15	6175978.15
2024 - June Quarter		6215731.099	5716791.384	6714670.814
2024 - September Quarter		6297614.562	5794667.243	6800561.881
2024 - December Quarter		6379498.025	5872512.175	6886483.875

Table 1.0 Sample sales data.

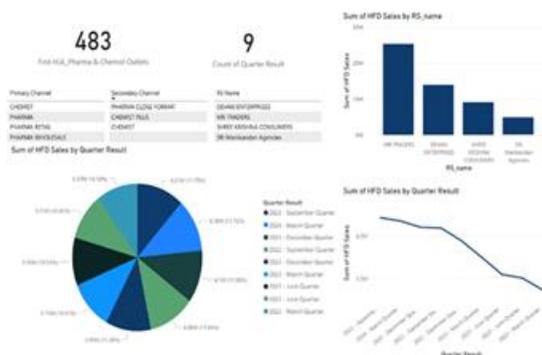


Figure 1.0 Quarter wise sales

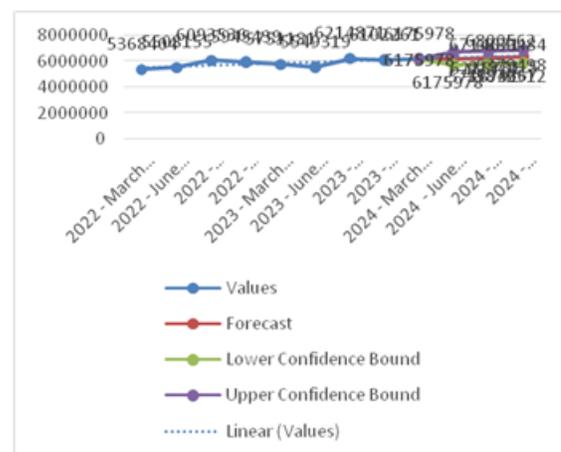


Figure 2.0 Sales Trends

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