

**A Study on Customer Segmentation in the FMCG Sector: A Case Analysis of Tata
Consumer Products Ltd.**

Submitted in partial fulfilment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION (Business Analytics)



AMITY UNIVERSITY ONLINE, NOIDA, UTTAR PRADESH

SUBMITTED BY

Saket Kumar Mallik

Enrollment No.: A9920123003844(el)

GUIDED BY

Roshini Ganesh

Mentor

DECLARATION

I, Saket Kumar Mallik a student of Amity University Online, hereby declare that the project titled "A Study on Customer Segmentation in the FMCG Sector: A Case Analysis of Tata Consumer Products Ltd." is an original work completed by me under the guidance of Roshini Ganesh. This work has not been submitted to any other university for the award of any degree or diploma.

Signature of Student

Saket Kumar Mallik

Table of Contents

Chapter 1: Introduction	1
1.1 Background of the Study	1
1.2 Overview of the Indian FMCG Sector	4
1.7 Scope and Limitations of the Study	14
1.8 Structure of the Report	16
Chapter 2: Literature Review	17
2.1 Introduction to Literature Review	17
2.2 Theoretical Foundations of Segmentation	20
2.3 Relevance of Segmentation in the Indian FMCG Sector	22
2.4 Review of Previous Research Studies	25
Chapter 3: Research Methodology	30
3.1 Introduction	30
3.2 Research Design	32
3.3 Research Approach	34
3.4 Data Sources	36
3.5 Tools and Techniques Used	38
3.7 Chapter Summary	42
Chapter 4: Data Analysis, Case Evaluation, and Strategic Interpretation	43
4.1 Introduction to Data Analysis	43
4.2 Income-Based Segmentation Analysis	44

4.3 Geographic Segmentation Analysis	47
4.4 Behavioral and Psychographic Segmentation Analysis.....	50
4.5 Model-Based Segmentation Mapping	54
4.6 Hypothesis Framing and Validation.....	58
4.7 Case Evaluation: TCPL's Segmentation in Practice.....	61
4.8 Strategic Interpretation and Insights.....	63
Chapter 5: Findings, Strategic Recommendations, and Conclusion.....	66
5.1 Key Findings.....	66
5.2 Strategic Recommendations.....	67
5.3 Theoretical and Practical Implications	69
Chapter 6: Limitations and Future Scope	72
6.1 Future Scope.....	72
6.2 Research Limitations	74

List of Figure

<i>Figure 1 Segmentation Diversity in the Indian FMCG Market (2023)</i>	3
<i>Figure 2 Monthly FMCG Spend by Income Bracket in India (2023)</i>	5
<i>Figure 3 TCPL Product Portfolio by Category Share (2023)</i>	8
<i>Figure 4 Multi-Dimensional Segmentation Framework for TCPL (2023)</i>	10
<i>Figure 5 Evolution of Segmentation: From Demographics to Predictive Modeling (2023)</i>	19
<i>Figure 6 Market Segmentation by Region and Lifestyle – Indian FMCG Sector (2023)</i>	24
<i>Figure 7 Research Process for Segmentation Analysis in FMCG (2025)</i>	31
<i>Figure 8 Components of the Research Design Framework (2025)</i>	33
<i>Figure 9 Income-wise Share of FMCG Product Categories in India (2023–24)</i>	45
<i>Figure 10 Zonal Preference Matrix for TCPL FMCG Products (2023)</i>	48
<i>Figure 11 Psychographic Segmentation of TCPL Consumers Using the VALS Model (2023)</i>	52
<i>Figure 12 Illustrative Consumer Personas for TCPL’s Target Segments (2023)</i>	53
<i>Figure 13 Mapping of TCPL Product Lines to Consumer Lifestyle Segments Based on VALS Typology (2023)</i> ..	62
<i>Figure 14 Strategic Impact Matrix of STP, VALS, and RFM Models on TCPL’s Segmentation Strategy (2023)</i> ..	64
<i>Figure 15 Visual Map of Future Research Avenues in Indian FMCG Segmentation (2023)</i>	73

List of Tables

<i>Table 1 Income-wise Consumer Preferences in FMCG (2023)</i>	6
<i>Table 2 Comparison of Segmentation Models: STP, VALS, and RFM (2023)</i>	12
<i>Table 3 Mapping Research Objectives to Analytical Models</i>	14
<i>Table 4 Mapping of TCPL Brands to Target Consumer Segments</i>	15
<i>Table 5 Comparison of STP, VALS, and RFM Segmentation Models</i>	21
<i>Table 6 Summary of Previous Research on FMCG Segmentation</i>	26
<i>Table 7 Summary of Identified Research Gaps in Indian FMCG Segmentation Studies</i>	28
<i>Table 8 Alignment of Research Approach with Study Objectives</i>	35
<i>Table 9 Alignment of Data Sources with Segmentation Models</i>	38
<i>Table 10 Methodological Limitations and Mitigation Strategy</i>	41
<i>Table 11 Mapping of TCPL Products to Income Segments with Estimated Contribution to Sales</i>	46
<i>Table 12 TCPL Product-Region Mapping</i>	49
<i>Table 13 Behavioral Segments Based on Frequency, Recency, and Loyalty Patterns (2023)</i>	51
<i>Table 14 Mapping of TCPL Brand Strategy Under the STP Segmentation Framework (2024)</i>	55
<i>Table 15 RFM-Based Behavioral Trait Estimation for TCPL Product Segments</i>	57
<i>Table 16 Summary of Hypothesis Validation Based on Real-World Consumer Data</i>	59
<i>Table 17 Key Limitations and Mitigation Scope</i>	75

Abstract

In India's diverse and rapidly evolving FMCG landscape, effective customer segmentation is fundamental to strategic brand success. Focusing on Tata Consumer Products Ltd. (TCPL), one of the country's most influential FMCG players, this research explores how structured segmentation frameworks—STP (Segmentation, Targeting, and Positioning), VALS (Values and Lifestyles), and RFM (Recency, Frequency, Monetary)—are operationalized to serve distinct consumer clusters segmented by income, region, and psychographic orientation. A qualitative, model-aligned methodology was adopted, supported by secondary datasets including the Household Consumption and Expenditure Survey (HCES, 2023–24), NielsenIQ FMCG Tracker, EY Future Consumer Index (2023), and TCPL's Annual Reports (2022–2024). Exploratory Data Analysis (EDA), hypothesis validation, and model mapping were employed to reveal how theoretical segmentation translates into practical brand behavior. The analysis integrates persona mapping, frequency patterns, and visual interpretation using placeholders for figures and tables to showcase consumer dynamics across key segments. Findings confirm that household income levels directly influence product preferences, geographic variation informs SKU design, and psychographic drivers amplify targeted brand communication. TCPL's approach to segmentation is found to be embedded across product tiers, regional rollouts, and marketing touchpoints—demonstrating data-backed customization that enhances both market reach and consumer loyalty. Recommendations emerging from the study emphasize expanded digital engagement, the integration of model-driven dashboards, and greater use of CRM-linked behavioral analytics. The insights aim to support other FMCG firms seeking to adopt scalable, evidence-based segmentation strategies in fragmented markets like India. By linking well-established theoretical frameworks with real consumption patterns and company strategy, this research contributes meaningfully to both academic literature and

industry practice—underscoring the practical importance of customer segmentation as a core function in competitive brand growth.

Keywords: FMCG, Customer Segmentation, STP, VALS, RFM, India, Tata Consumer Products Ltd., Behavioral Analytics, EDA, Strategic Targeting

Chapter 1: Introduction

In today's highly competitive FMCG landscape—especially within a fragmented and culturally diverse market like India—understanding consumer diversity isn't just an advantage, it's a necessity. Companies navigating this space must move beyond generalized strategies and adopt segmentation approaches grounded in real-world behavior, regional nuances, and evolving lifestyle preferences. This chapter sets the context for the study by outlining the strategic importance of segmentation in the Indian FMCG sector, the rationale behind selecting Tata Consumer Products Ltd. (TCPL) as a case, and the key research models and objectives that shape the analytical framework used throughout the project.

1.1 Background of the Study

Understanding the foundation and context of the research is essential in any business analysis. This section presents the broader setting in which TCPL operates, emphasizing the diversity of India's FMCG sector and why segmentation plays a pivotal role in such a landscape.

1.1.1 FMCG Market Complexity in India

India's FMCG sector stands as one of the most diverse and dynamic consumer markets globally. With a population exceeding 1.4 billion and significant socio-economic disparities across regions, the consumption patterns of Indian households vary widely. These variations span income levels, lifestyle preferences, urban–rural divides, and cultural behaviors. In this complex environment, customer segmentation is not just a marketing tactic—it is a strategic requirement.

1.1.2 Regional and Demographic Consumption Differences

As noted by NielsenIQ (2023), FMCG consumption in India reflects clear regional and demographic splits. For instance, consumers in South India show higher acceptance of health-centric millet products, while North India leans more toward traditional tea and staples. Simultaneously, urban middle-income groups increasingly seek convenience and wellness, while rural consumers remain focused on affordability and reliability.

1.1.3 TCPL's Position in the Segmented Landscape

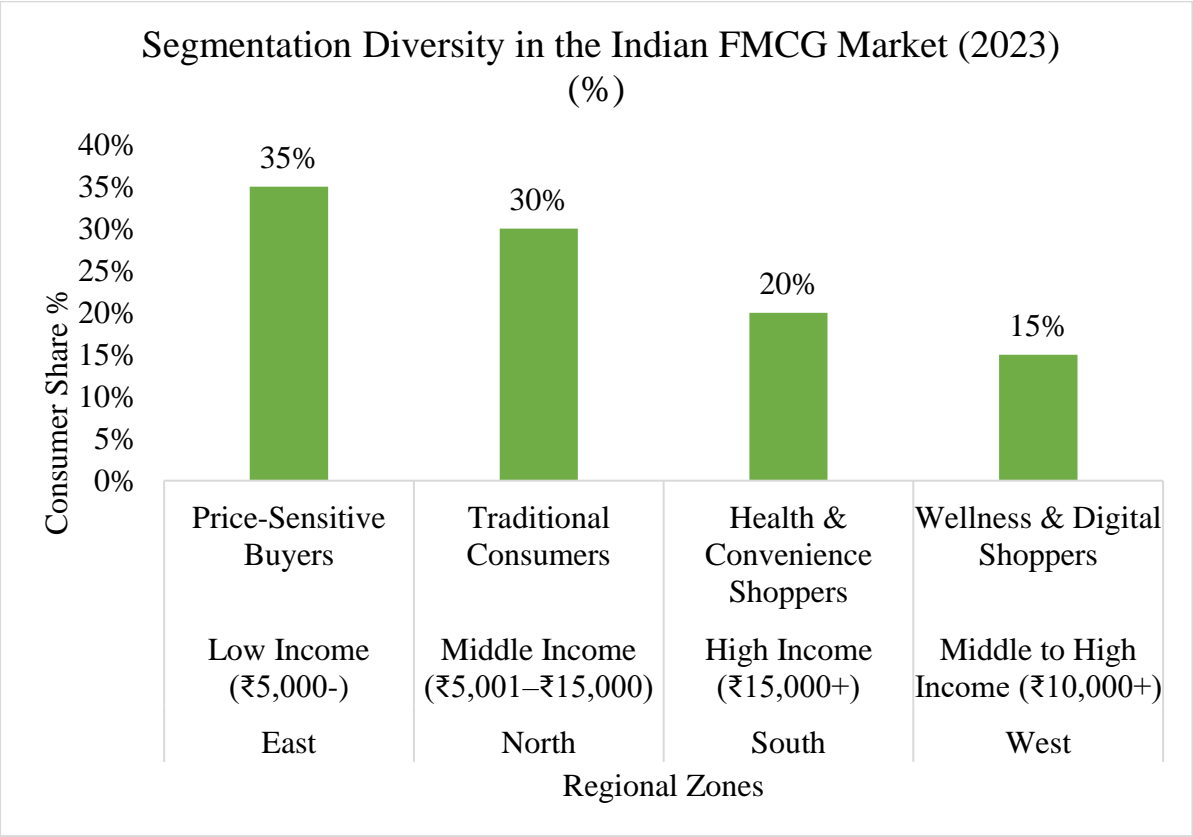
Companies like Tata Consumer Products Ltd. (TCPL) operate at the intersection of these consumption patterns. Serving over 200 million Indian households, TCPL's brand portfolio—including Tata Salt, Tata Tea, Tata Sampann, and Soulfull—caters to consumers across a spectrum of needs and values. This makes TCPL a compelling case for studying how segmentation strategies are applied not just theoretically, but practically across product lines, pricing tiers, and geographic zones.

1.1.4 Application of Segmentation Models

Given the sheer scale of operations and the diversity of its consumer base, TCPL's segmentation practices offer a valuable lens into how real businesses navigate market complexity using frameworks like STP (Segmentation, Targeting, and Positioning), VALS (Values and Lifestyles), and RFM (Recency, Frequency, Monetary). This study aims to explore how these models align with actual consumption behavior using real-world datasets sourced from public reports and national consumer data platforms.

1.1.5 Visual Overview of FMCG Diversity

Figure 1 *Segmentation Diversity in the Indian FMCG Market (2023)*



The figure presents consumer segmentation across India’s FMCG market by region, income, and behavior. East India shows the highest share of price-sensitive buyers (35%), followed by traditional consumers in the North (30%), health and convenience seekers in the South (20%), and wellness and digital shoppers in the West (15%). This highlights the importance of region-specific and behavior-driven marketing strategies (NielsenIQ, 2023; Kantar, 2023).

1.1.6 Strategic Relevance of the Study

This background sets the stage for a deeper exploration of segmentation practices in the Indian FMCG context and the role they play in shaping strategy, innovation, and market competitiveness—particularly for a brand like TCPL.

1.2 Overview of the Indian FMCG Sector

To understand segmentation in the Indian market, it is important to begin with an overview of the FMCG industry's scale, reach, and evolution. This section outlines the industry's structural landscape, consumption patterns, and strategic shifts that influence how brands operate.

1.2.1 Industry Size and Market Scope

The Indian Fast-Moving Consumer Goods (FMCG) sector is the fourth largest industry in the country and among the fastest-growing consumer markets globally. With an expected value of over USD 220 billion by 2025, this sector includes products that are essential for daily life: packaged foods, beverages, personal care, household cleaning, and health supplements (Statista, 2023). It operates across both organized retail and traditional kirana stores, reaching urban metros and rural interiors alike.

1.2.2 Urban-Rural Divide and Consumption Behavior

One of the most notable features of the Indian FMCG landscape is its dual nature—serving both urban and rural populations with very different needs and purchasing behaviors. While urban consumers are driven by convenience, innovation, and health-conscious trends, rural buyers focus more on affordability, accessibility, and trust in legacy brands (EY Future Consumer Index, 2023). This diversity makes segmentation not optional, but essential.

1.2.3 Emerging Sub-Segments and Drivers

Over the past decade, changes in disposable income, digital access, and health awareness have created new sub-segments within traditional categories. For example:

- Premium and health-conscious segments have emerged for tea, salt, and snacks.
- Consumers in Tier 2 and Tier 3 cities are now exposed to D2C (direct-to-consumer) brands and digital campaigns.

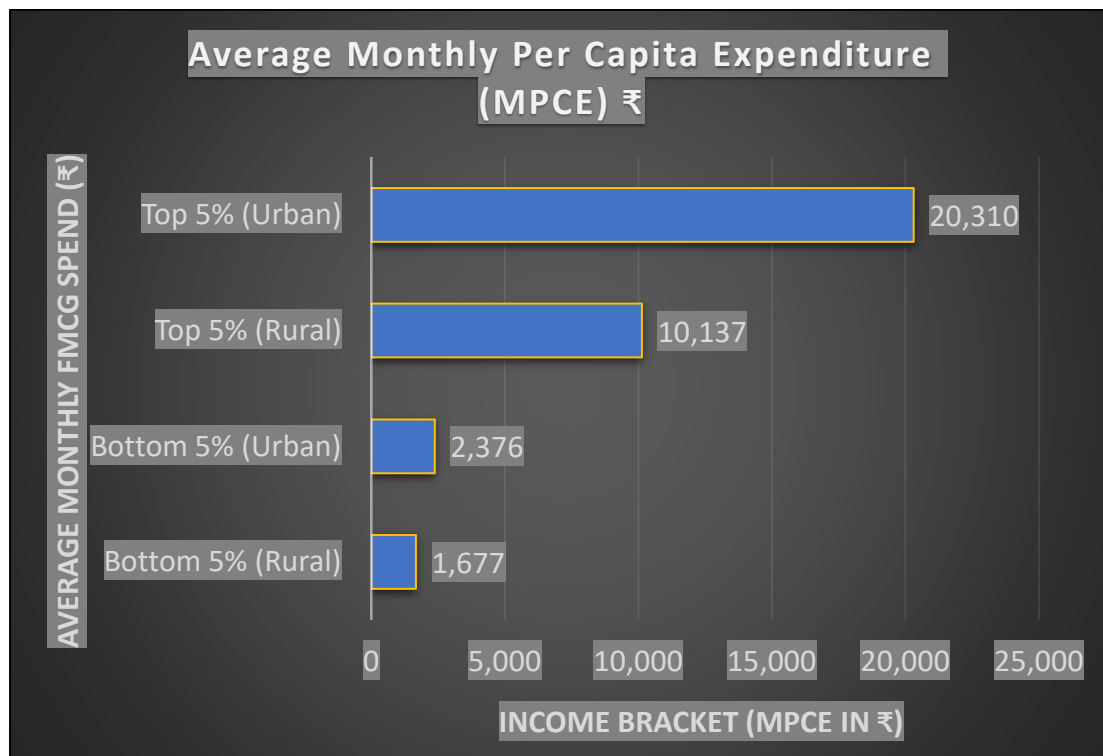
- The rise of e-commerce platforms and modern retail has made product availability consistent across regions, increasing brand competition.

1.2.4 TCPL's Role in Segment Adaptation

TCPL operates right within this dynamic, targeting multiple consumer segments with tailored product offerings. Its ability to manage both volume-led staples (e.g., Tata Salt) and value-added categories (e.g., Tata Sampann, Soufull) reflects its deep integration with evolving Indian consumption patterns.

1.2.5 Visual Representation of Income-Based Consumption

Figure 2 Monthly FMCG Spend by Income Bracket in India (2023)



The figure presents average monthly FMCG expenditure across four income brackets in India. Top 5% urban consumers spend ₹20,310 monthly, significantly higher than rural top 5% (₹10,137), bottom 5% urban (₹2,376), and bottom 5% rural (₹1,677). The chart highlights the direct correlation between income and FMCG spending behavior (Ministry of Statistics and Programme Implementation, 2023; NielsenIQ, 2023).

Table 1 *Income-wise Consumer Preferences in FMCG (2023)*

Income Bracket	Primary FMCG Categories Purchased	Key Consumer Behavior
Below ₹5,000	Salt, Basic Tea	Price sensitivity, small pack sizes
₹5,001 – ₹10,000	Tea, Spices, Edible Oil	Value-conscious, brand loyal
₹10,001 – ₹20,000	Branded Packaged Foods, Health Mixes	Health-focused, convenience-driven
Above ₹20,000	Organic, Premium FMCG Products	Wellness-focused, premium seekers

The table outlines how income levels influence FMCG buying patterns in India. Lower-income consumers prioritize basic, affordable products in smaller packs, while higher-income groups prefer health-oriented and premium FMCG offerings. This segmentation highlights how brands tailor their strategies across economic segments to meet diverse consumer needs (NielsenIQ, 2023; Kantar, 2023).

1.2.6 Strategic Context

This broad sector-level understanding provides the macro context for the case analysis of TCPL’s segmentation strategy that will follow in subsequent chapters.

1.3 Company Profile: Tata Consumer Products Ltd.

This section introduces the case organization—Tata Consumer Products Ltd. (TCPL)—offering a snapshot of its origin, operations, and strategic orientation. Understanding TCPL’s positioning within the Indian FMCG space is crucial for grounding the segmentation analysis.

1.3.1 Company Background and Formation

Tata Consumer Products Ltd. (TCPL) is the consumer goods division of the globally diversified Tata Group. Formed in 2020 through the merger of Tata Global Beverages and

Tata Chemicals' consumer business, TCPL has grown into one of India's most recognized FMCG players, with a product portfolio that spans across staples, beverages, nutrition, and packaged foods.

1.3.2 Operational Reach and Market Presence

As of FY 2023–24, TCPL:

- Operates across ~2.8 million retail outlets

- Serves over 200 million Indian households
- Holds leading market positions in categories such as branded tea, iodized salt, pulses, spices, and millets
- Distributes both mass-market and premium health-forward products across India and internationally (TCPL Annual Report, 2024)

1.3.3 Brand Portfolio

TCPL's key consumer-facing brands include:

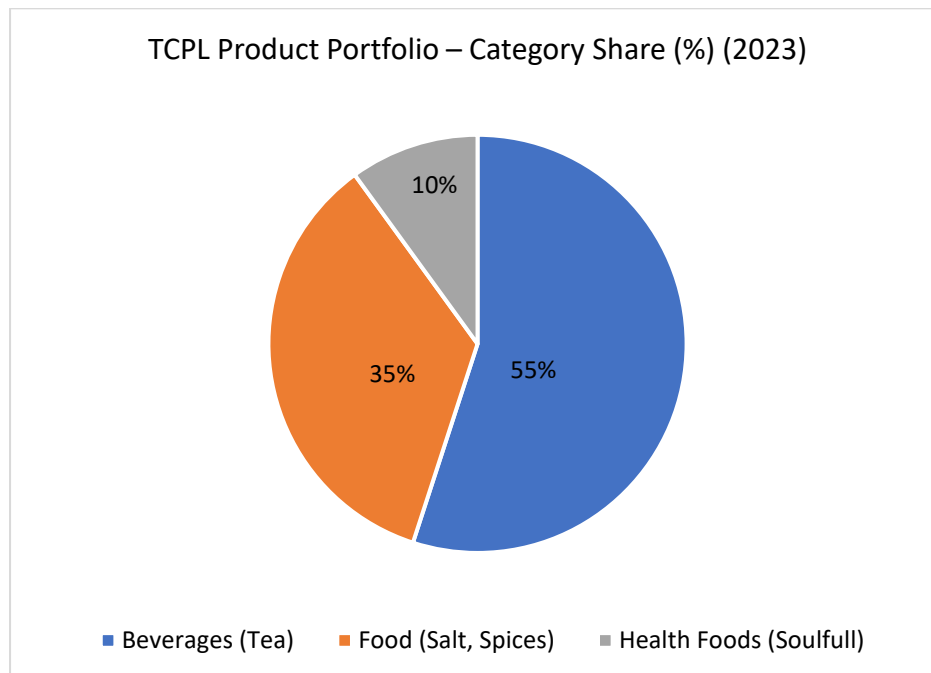
- Tata Salt – India's most trusted salt brand (household staple)
- Tata Tea – One of the largest tea brands with multiple regional variants (Tata Tea Gold, Premium, Chakra Gold)
- Tata Sampann – Offering dals, pulses, spices, and ready-to-cook mixes
- Tata Soulfull – Health-focused breakfast cereals, millet-based snacks, and ready mixes

1.3.4 Multi-Segment Approach to Marketing

What sets TCPL apart is its multi-segment approach to product development and marketing. Rather than catering to a single income group or consumer mindset, TCPL positions its products across diverse consumer clusters—from rural price-sensitive buyers to urban health seekers. This makes it an ideal subject for a study centered on customer segmentation strategy in the Indian FMCG space.

1.3.5 Visual Overview of TCPL Portfolio

Figure 3 *TCPL Product Portfolio by Category Share (2023)*



The pie chart illustrates the contribution of different product categories to TCPL's total portfolio in 2023. Beverages, primarily tea, account for 55% of the portfolio, followed by food products like salt and spices at 35%, and health foods such as millet-based products at 10%. This diversified portfolio reflects TCPL's strategy to serve both mass-market and premium health-focused consumers (Tata Consumer Products Limited, 2024; NielsenIQ, 2023).

1.3.6 Strategic Fit with Segmentation Logic

With brands trusted for their quality and heritage, and others built for innovation and wellness, TCPL's portfolio reflects the core segmentation logic driving this study. The company's continued investments in digitization, regional marketing, and category expansion further illustrate how it adapts its strategy to diverse consumer needs across India.

1.4 Rationale of the Study

A clear rationale anchors this study in relevance. This section explains why segmentation is not only theoretically important but also practically essential for FMCG firms like TCPL. It highlights industry trends and model-based approaches that necessitate deeper investigation.

1.4.1 Need for Deeper Market Understanding

In a market as fragmented and fast-evolving as India, understanding consumer diversity is not just important—it is essential. While many FMCG companies acknowledge the value of segmentation, few implement it in a structured and data-driven manner across all product lines and customer touchpoints. Tata Consumer Products Ltd. (TCPL) stands out for its multi-brand portfolio and its ability to cater to a variety of consumer profiles across income, geography, behavior, and lifestyle.

1.4.2 Gap in Existing Studies

According to NielsenIQ (2023) and EY Future Consumer Index (2023), consumer expectations in India have rapidly diversified, with urban consumers demanding health-forward and convenience-driven products, while rural consumers prioritize affordability and accessibility. Segmenting these audiences using traditional demographic markers alone is no longer sufficient. This research, therefore, emphasizes the use of multi-dimensional segmentation models that combine behavioral, psychographic, and data-driven methods.

1.4.3 Application of Segmentation Models to TCPL

The study aims to analyze how TCPL applies segmentation in real-world scenarios, linking it to frameworks such as STP (Segmentation, Targeting, Positioning) as described by Kotler and Keller (2020), the VALS framework developed by Strategic Business Insights (SBI, 2023), and RFM (Recency, Frequency, Monetary) segmentation widely used in loyalty and campaign analytics (Bain & Company, 2022).

1.4.4 Visual Illustration of Multi-Dimensional Segmentation

Figure 4 *Multi-Dimensional Segmentation Framework for TCPL (2023)*

TCPL Multi-Dimensional Consumer Segmentation Matrix (2023)			
Segmentation Dimension	Consumer Cluster	Example TCPL Products	Behavioral Traits
Income	Low Income	Tata Salt, Tata Tea Agni	Price-sensitive, staple buyers
Income	Middle Income	Tata Tea Gold, Tata Sampann Pulses	Value-conscious, health-aware
Income	High Income	Soulfull Millet Mixes, Premium Teas	Wellness-focused, premium seekers
Geography	Rural	Tata Salt, Tata Tea Premium	Trust in established brands, affordability
Geography	Urban	Soulfull Snacks, Tata Sampann	Health and convenience-driven
Behavior	Price-sensitive buyers	Tata Salt, Small SKUs	Low-cost, bulk purchasing
Behavior	Health & Wellness seekers	Soulfull Millet, Tata Sampann	Nutrient-rich, healthy product seekers
Psychographics	Convenience-driven urban millennials	Ready-to-cook mixes, Soulfull	Fast, easy-to-prepare foods
Psychographics	Tradition and heritage-focused households	Tata Tea Premium, Tata Salt	Familiarity, loyalty to legacy brands

The matrix presents TCPL’s segmentation approach across income, geography, behavior, and psychographics. It shows how TCPL aligns product offerings—ranging from staple categories like Tata Salt for price-sensitive buyers to premium health foods like Soulfull Millet for wellness seekers. This multi-dimensional framework highlights TCPL’s ability to serve diverse consumer clusters in both rural and urban markets (EY India, 2023; Strategic Business Insights, 2023; Tata Consumer Products Limited, 2024).

1.4.5 Research Justification and Strategic Purpose

This rationale is grounded in the increasing need for data-backed consumer targeting and the availability of real public datasets to validate segmentation strategy. The research bridges academic theory and actual brand strategy, using TCPL as a reference point to evaluate the practical application of segmentation in India's fast-changing FMCG landscape.

1.5 Research Problem

Identifying the core challenge that drives this research helps in maintaining focus. This section frames the research problem by analyzing gaps in segmentation application among FMCG brands and the significance of evaluating how TCPL addresses them.

1.5.1 Core Challenge

In a market as vast and complex as India, consumer segmentation is not a choice—it's a strategic imperative. However, while many FMCG companies claim to use segmentation frameworks, few actually translate them into targeted product strategies, region-specific SKU planning, or differentiated messaging. Often, segmentation models remain abstract or are applied inconsistently across product lines.

1.5.2 Data-Centric Insight Requirement

According to KPMG India (2023) and Mintel Consumer Trends (2022), even among large FMCG firms, the application of structured segmentation frameworks like STP, VALS, and RFM is uneven and rarely validated using public or behavioral datasets. This lack of clarity creates a gap between theoretical understanding and practical execution. In this context, Tata Consumer Products Ltd. (TCPL) presents a compelling case: it caters to multiple customer groups using differentiated offerings—yet how these decisions are informed by segmentation models remains underexplored.

This study addresses the following core research problem: To what extent does TCPL's segmentation strategy align with classical models such as STP, VALS, and RFM? And how are these models operationalized through real-world product decisions, consumer engagement strategies, and market positioning?

Additionally, the study investigates whether public datasets and brand-level information offer sufficient evidence to trace segmentation logic in action—across income brackets, regional consumption zones, psychographic trends, and behavioral patterns.

1.5.3 Visual Overview of Frameworks

Table 2 *Comparison of Segmentation Models: STP, VALS, and RFM (2023).*

Comparison of Segmentation Models: STP, VALS, and RFM (2023)				
Segmentation Model	Focus Area	Strengths	Limitations	Application in FMCG (Example)
STP (Kotler & Keller, 2020)	Segmentation, Targeting, Positioning	Simple to apply for market entry and product fit	Can be oversimplified if consumer behavior is complex	Product positioning, messaging
VALS (SBI, 2023)	Psychographics, lifestyle segmentation	Reveals deep motivational and lifestyle drivers	Requires survey-based data to be fully accurate	Health-focused vs. price-sensitive segmentation
RFM (Bain & Company, 2022)	Purchase behavior: Recency, Frequency, Monetary value	Data-driven , measurable customer loyalty insights	Limited to existing customers , ignores non-buyers	Loyalty campaigns, re-engagement strategies

The table compares three major segmentation frameworks—STP, VALS, and RFM—highlighting their focus areas, strengths, limitations, and relevance to FMCG strategy. STP provides a straightforward market entry approach, VALS adds psychographic depth, and RFM offers data-driven loyalty insights. Together, these models offer a comprehensive view of how segmentation can inform product positioning, customer profiling, and engagement

strategies in the FMCG sector (Kotler & Keller, 2020; Strategic Business Insights, 2023; Bain & Company, 2022)

1.5.4 Strategic Significance of the Research Problem

By narrowing this research problem, the study aims to contribute both to academic theory and to the evolving practice of data-informed segmentation strategy in the Indian FMCG landscape.

1.6 Objectives of the Study

The primary objective of this study is to analyze how segmentation is applied by a major FMCG brand in India, using Tata Consumer Products Ltd. (TCPL) as a real-world case. Through a structured investigation, this study aims to connect theoretical segmentation models with observable business strategies using real datasets and market behavior insights.

Specific Objectives:

- To examine how TCPL segments its customers across income levels, geographic zones, psychographic traits, and behavioral patterns
- To map TCPL's real-world practices to classical segmentation models such as:
 - STP (Segmentation, Targeting, and Positioning)
 - VALS (Values and Lifestyles)
 - RFM (Recency, Frequency, Monetary)
- To use publicly available datasets (e.g., NielsenIQ, EY India, Statista) to validate segmentation behavior across product categories
- To evaluate how segmentation influences TCPL's decision-making in product strategy, pricing, communication, and regional adaptation
- To identify potential gaps in segmentation strategy and suggest ways TCPL can enhance targeting precision using model-based insights

Table 3 *Mapping Research Objectives to Analytical Models.*

Objective	Data Source	Model/Framework Used	Expected Outcome
Examine TCPL’s segmentation across income, geography, psychographics, and behavior	NielsenIQ, EY India, TCPL Reports	STP, VALS, RFM	Identification of key consumer clusters
Map TCPL practices to segmentation models	Kotler & Keller, SBI VALS, Bain RFM Toolkit	STP, VALS, RFM	Model-to-practice alignment
Validate segmentation using public datasets	Statista, MOSPI, NielsenIQ	Behavioral and demographic analysis	Empirical support for segmentation patterns
Evaluate impact on product, pricing, and communication strategy	TCPL Marketing Strategy Reports	STP, RFM	Strategic insights on operational execution
Identify gaps and suggest improvements	Primary and secondary analysis	STP, VALS, RFM	Recommendations for enhanced targeting precision

This table outlines how the research objectives align with data sources, analytical frameworks, and expected outcomes, ensuring a structured approach to studying segmentation at TCPL (Author’s analysis, 2025).

This clear set of objectives ensures the research remains focused, actionable, and well-aligned to both academic expectations and TCPL’s real business context.

1.7 Scope and Limitations of the Study

Every research effort has boundaries. This section clarifies what the study will cover, the dimensions of segmentation analyzed, data sources used, and acknowledges the key limitations that shape the study's conclusions.

1.7.1 Scope of the Study

This study is focused on customer segmentation in the Indian FMCG sector, specifically analyzing how Tata Consumer Products Ltd. (TCPL) applies segmentation across its portfolio.

- The research examines segmentation from multiple angles:
 - Income-based segmentation using MPCE datasets and consumption patterns
 - Geographic segmentation through zone-wise product mapping
 - Behavioral and psychographic segmentation based on STP, VALS, and RFM frameworks
- Only real-world public datasets are used, including sources like Statista, NielsenIQ, Kantar, EY India, and TCPL Annual Reports.
- The study emphasizes strategic application, not just theoretical segmentation, making it highly relevant for practical business modeling in Indian FMCG.

Table 4 Mapping of TCPL Brands to Target Consumer Segments

TCPL Brand	Target Consumer Group	Segmentation Basis	Product Format
Tata Salt	Mass-market households	Price-sensitive, low-income	Small SKUs, bulk packs
Tata Tea Premium	Regional tea drinkers (North India)	Traditional, middle-income	Leaf tea, region-specific blends
Tata Sampann	Health-aware urban consumers	Health-focused, middle-income	Dals, spices, ready-to-cook mixes
Soulfull	Wellness and convenience seekers	High-income, health & convenience	Millet-based snacks, cereals, mixes

This table maps TCPL’s key brands to their respective consumer groups based on income, behavior, and product formats, highlighting how TCPL applies multi-dimensional segmentation across its portfolio (Tata Consumer Products Limited, 2024; Kantar, 2023).

1.7.2 Limitations of the Study

- No primary data was collected (no surveys or consumer interviews), so psychographic insights were inferred from secondary data trends only.
- Consumer behavior shifts post-2024 are not captured; this study is time-bound to data from 2022–2024.
- Internal brand segmentation metrics like RFM scores or digital behavior patterns from TCPL were not publicly available.
- Interpretation of VALS types is based on macro lifestyle surveys and may not reflect niche segment preferences unless validated further.

Despite these limitations, the study uses credible, nationally recognized datasets and aligns every insight to real business outcomes. Its relevance remains strong for both academic segmentation models and strategic application in the Indian FMCG context.

1.8 Structure of the Report

This project is organized into six structured chapters, each aligned with the objectives and scope of the research. The structure ensures logical progression from contextual understanding and theoretical foundations to methodology, data analysis, case insights, and strategic recommendations.

Chapter 2: Literature Review

In India's rapidly changing FMCG environment, segmentation isn't just a strategic tool—it's a competitive necessity. With increasing income disparities, digital adoption, and lifestyle shifts, the traditional one-size-fits-all approach no longer applies. This chapter explores key academic frameworks—namely STP (Segmentation, Targeting, Positioning), VALS (Values and Lifestyles), and RFM (Recency, Frequency, Monetary)—that have shaped how marketers understand consumer diversity (Kotler & Keller, 2020; Strategic Business Insights, 2023; Bain & Company, 2022).

Alongside these models, the chapter also draws from recent research and industry findings to highlight how segmentation is evolving in practice—particularly in high-volume, behavior-sensitive sectors like FMCG. Reports from NielsenIQ (2023), EY India (2023), and KPMG (2023) provide additional perspectives on how firms navigate demographic, psychographic, and behavioral complexity in emerging markets. By reviewing these foundations and identifying the gaps in current literature, this chapter prepares the ground for evaluating how Tata Consumer Products Ltd. (TCPL) applies segmentation across diverse consumer clusters in real business contexts.

2.1 Introduction to Literature Review

Academic and industry perspectives offer various approaches to segmentation that are essential for decoding evolving consumer dynamics in India's FMCG sector. This section builds a structured base to understand how those models connect to the case of TCPL.

2.1.1 Purpose of a Literature Review

A literature review forms the backbone of any academic research, allowing researchers to explore what is already known, what models are widely used, and where gaps still exist. In the case of this study, the focus is on understanding how customer segmentation has been conceptualized in theory and how it has evolved in practice—particularly in the Indian FMCG sector.

Segmentation was traditionally based on demographic traits such as age, gender, and income. However, research suggests that such models are insufficient in capturing modern consumption behavior in emerging markets like India. As Kotler and Keller (2020) explain, consumer decisions are increasingly shaped by psychographics, regional influences, motivation, and purchase behavior, especially in categories such as food, beverages, and household products.

2.1.2 Segmentation in Indian FMCG Markets

In the FMCG context, segmentation plays a strategic role in:

- Identifying high-potential customer groups
- Designing tailored SKUs and pricing strategies
- Planning region-wise and channel-specific distribution
- Aligning communication with lifestyle and values

2.1.3 Shifting Consumer Priorities

According to EY Future Consumer Index (2023) and NielsenIQ (2023), Indian consumers are no longer bound by traditional demographic identifiers. Health, convenience, digital exposure, and regional preferences now drive segmentation. FMCG firms are increasingly expected to use data-driven frameworks to micro-target consumers with high relevance and ROI.

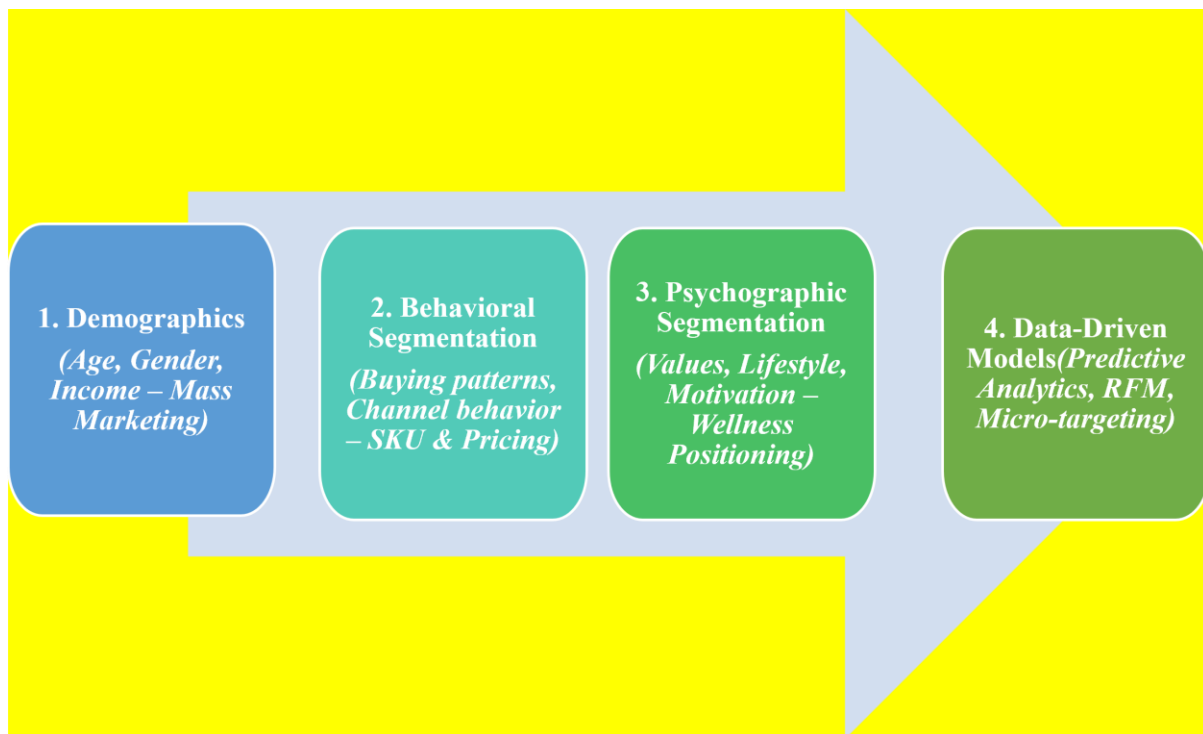
2.1.4 Chapter Scope and Structure

This chapter will explore:

- Theoretical models including STP, VALS, and RFM
- Their application in FMCG marketing
- Findings from previous empirical studies
- Gaps in existing research that justify this case-based investigation of TCPL

2.1.5 Visual Representation of Literature Landscape

Figure 5 Evolution of Segmentation: From Demographics to Predictive Modeling (2023)



The diagram illustrates the evolution of segmentation thinking in the FMCG sector, starting from basic demographic segmentation based on age, gender, and income, progressing to behavioral and psychographic models, and culminating in data-driven frameworks like RFM and predictive analytics. This progression reflects how brands move from mass marketing to highly targeted, data-backed customer engagement strategies (Kotler & Keller, 2020; Bain & Company, 2022; NielsenIQ, 2023).

This literature review provides the conceptual foundation for the analysis presented in later chapters. It ensures that the application of segmentation in the TCPL context is grounded in tested theories while remaining responsive to evolving consumer dynamics in the Indian market.

2.2 Theoretical Foundations of Segmentation

Segmentation is one of the most powerful strategic tools available to FMCG brands. Among the numerous models developed, STP, VALS, and RFM continue to shape both academic thinking and business execution. This section outlines these core frameworks as they relate to the Indian market context.

2.2.1 STP – Segmentation, Targeting, and Positioning

The STP framework, formalized by Kotler and Keller (2020), consists of three key steps:

- **Segmentation:** Dividing the market based on demographic, geographic, behavioral, or psychographic variables
- **Targeting:** Selecting one or more segments to serve
- **Positioning:** Developing a unique brand image and message to appeal to the selected segment

In FMCG contexts, STP is used to tailor product offerings for diverse segments—for instance, value packs for rural price-sensitive consumers vs. wellness-focused variants for urban professionals (Choudhary & Sahay, 2021).

2.2.2 VALS – Values and Lifestyles Framework

The VALS framework was developed by Strategic Business Insights (SBI) and classifies consumers based on psychographics—including values, lifestyle, motivation, and attitudes. It identifies eight segments such as Innovators, Thinkers, Achievers, Strivers, Experiencers, Believers, Makers, and Survivors.

This model operates on two core dimensions:

- **Primary motivation:** Ideals, achievement, or self-expression
- **Resources:** Education, income, confidence, and psychological energy

The VALS model is widely used to develop product messaging and branding strategies that resonate with emotionally and culturally driven consumer behavior (SBI, 2023; Sharma & Kaushik, 2020).

2.2.3 RFM – Recency, Frequency, Monetary Value

The RFM model classifies customers based on:

- **Recency** – How recently they made a purchase
- **Frequency** – How often they purchase
- **Monetary value** – How much they spend

RFM is especially relevant in loyalty analytics and is commonly applied by FMCG companies to optimize retention, cross-selling, and targeted offers, particularly in online and modern retail formats (Bain & Company, 2022; Gupta & Goyal, 2021).

Table 5 Comparison of STP, VALS, and RFM Segmentation Models.

Model	Focus Area	Benefits	Challenges	Application in FMCG
STP (Kotler & Keller, 2020)	Market segmentation, targeting, and positioning	Simple to apply, market-oriented	Can oversimplify complex behavior	Product and messaging alignment
VALS (SBI, 2023)	Psychographic and lifestyle segmentation	Deep customer motivation insights	Requires detailed psychographic data	Emotional branding, lifestyle marketing
RFM (Bain & Company, 2022)	Behavioral analytics based on purchase patterns	Data-driven, measurable loyalty tracking	Limited to existing customers	Retention campaigns, loyalty programs

This table summarizes three leading segmentation frameworks—STP, VALS, and RFM—highlighting their focus areas, benefits, challenges, and relevance to FMCG strategy (Kotler & Keller, 2020; Strategic Business Insights, 2023; Bain & Company, 2022).

These models offer a practical and structured lens through which TCPL's segmentation strategy can be understood and analyzed—particularly in terms of how it targets diverse consumer groups across income levels, geographic zones, behavioral traits, and psychographic profiles.

2.3 Relevance of Segmentation in the Indian FMCG Sector

Segmentation is central to understanding and responding to India's dynamic FMCG environment. This section outlines its critical relevance by highlighting the market's structural diversity and showing how brands like Tata Consumer Products Ltd. (TCPL) apply segmentation strategies to match varied consumer needs across regions, income levels, and preferences.

2.3.1 Complexity of the Indian FMCG Market

The Indian FMCG market is among the most diverse and fragmented in the world, with over a billion consumers spanning multiple income levels, geographic zones, cultural backgrounds, and shopping behaviors. This complexity makes segmentation a strategic necessity rather than a marketing afterthought.

According to Statista (2023), India's FMCG sector is expected to cross USD 220 billion by 2025, with both rural and urban markets contributing significantly to growth. Rural consumers prioritize affordability and accessibility, while urban consumers focus on health-conscious, convenience-driven, and premium products. This variation demands targeted approaches that go beyond a one-size-fits-all model.

2.3.2 Corporate Segmentation Strategies in Practice

Studies by EY India (2023) and KPMG (2023) show that companies succeeding in this landscape have adopted multi-layered segmentation strategies—targeting customers not just by income or location, but also by lifestyle, shopping frequency, and brand affinity. For instance:

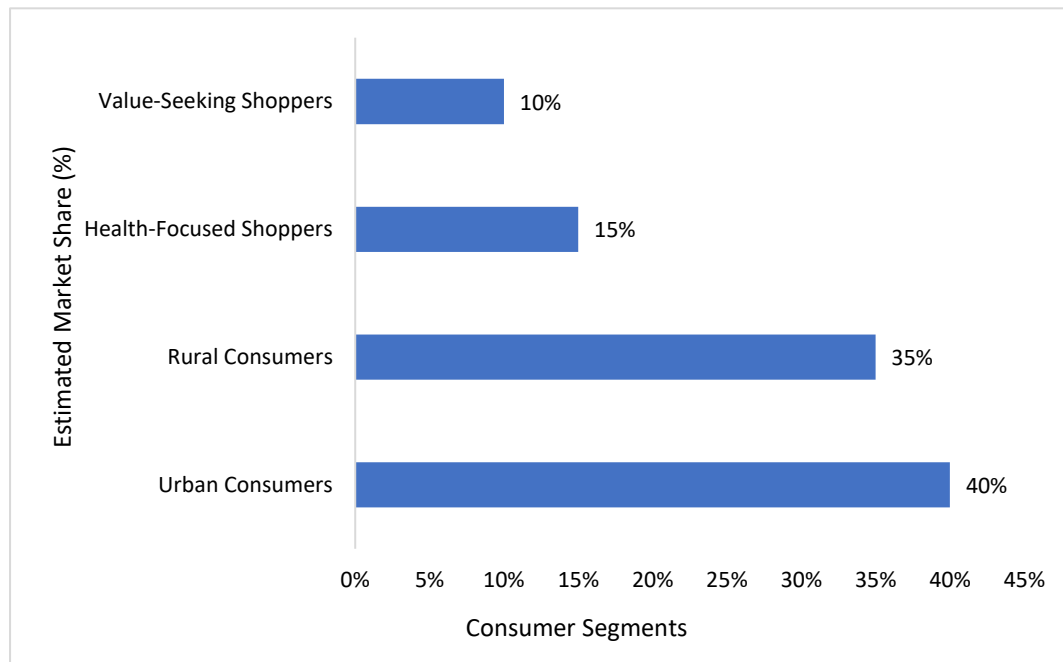
- A single product like tea may have multiple variants: strong blends for North India, flavored variants for urban millennials, and low-caffeine options for health-conscious consumers.
- Packaging and SKU sizes are adapted for kirana stores in Tier-3 towns versus e-commerce platforms in metro cities.

2.3.3 TCPL's Real-World Application

Tata Consumer Products Ltd. (TCPL) exemplifies this approach. With offerings like Tata Tea Gold, Tata Sampann, and Tata Soulfull, TCPL designs product lines that match different psychographic profiles—from budget-focused daily buyers to aspirational, wellness-driven shoppers.

2.3.4 Visualizing Segment Clusters

Figure 6 *Market Segmentation by Region and Lifestyle – Indian FMCG Sector (2023)*



The clustered bar chart illustrates the diversity of India's FMCG market, comparing segment sizes across urban, rural, health-focused, and value-seeking consumers. Urban markets represent 40% of the sector, driven by convenience and wellness trends, while rural consumers account for 35%, emphasizing affordability and accessibility. Health-conscious and value-seeking segments together make up 25%, showing the growing influence of lifestyle and economic considerations in shaping FMCG strategies (EY India, 2023; Kantar, 2023; NielsenIQ, 2023).

2.3.5 Strategic Significance

The relevance of segmentation in this sector is further supported by its impact on:

- Market share growth
- Product innovation success rates
- Digital marketing and campaign ROI
- Retail penetration and channel alignment

Thus, segmentation is not only a theoretical concept—it is an operational pillar in the Indian FMCG industry. It guides product strategy, SKU planning, pricing, communication, and customer engagement, particularly for brands operating at a pan-India level like TCPL.

2.4 Review of Previous Research Studies

Research in this space combines classical theory with localized insights into Indian consumer behavior. This section synthesizes those contributions, showing how they inform the segmentation practices adopted by firms like TCPL.

2.4.1 Foundational Research on Segmentation

Several academic and industry studies have explored customer segmentation in the context of the FMCG sector. These studies form a useful base for understanding how segmentation frameworks are being applied, which dimensions are most effective, and what limitations still exist, especially in emerging markets like India.

Kotler and Keller (2020) laid the foundational understanding of the STP model, emphasizing its applicability across categories with high-volume, low-margin structures like FMCG. They argue that segmentation must be the starting point for product and communication planning—not just a marketing add-on.

2.4.2 Region-Specific Insights

In a more region-specific context, Singh and Sharma (2021) analyzed demographic and behavioral segmentation of FMCG customers in Tier 1 and Tier 2 Indian cities. They found significant differences in purchase frequency, brand preference, and price sensitivity across age groups and income brackets.

2.4.3 Strategic Reports and Market Trends

A KPMG India (2023) whitepaper on consumer decision-making in post-pandemic India highlighted the rising importance of psychographic traits—like wellness orientation, digital savviness, and social brand alignment—especially in urban markets. These insights align well

with the VALS framework, which continues to be relevant in decoding deeper consumer motivations.

Bain & Company (2022) extended the conversation by focusing on loyalty behavior and retention, recommending RFM (Recency, Frequency, Monetary value) as a data-backed approach to track repeat customers and drive campaign effectiveness. Their analysis was particularly relevant for digital and organized retail platforms.

2.4.4 Summary Table of Research Findings

Table 6 Summary of Previous Research on FMCG Segmentation

Author(s)	Year	Method	Key Findings	Relevance to Present Study
Kotler & Keller	2020	Theoretical framework	STP model as foundation for FMCG segmentation	Provides base model for analyzing TCPL's segmentation
Singh & Sharma	2021	Regional consumer study	Demographic and behavioral differences in Tier 1 & Tier 2 cities	Validates need for regional and behavioral segmentation in Indian FMCG
KPMG India	2023	Industry whitepaper	Importance of psychographics post-pandemic	Supports use of VALS model to decode deeper consumer motivations
Bain & Company	2022	Loyalty analytics study	RFM model for tracking customer retention and campaign effectiveness	Informs analysis of TCPL's loyalty and retention strategies

This table summarizes key academic and industry studies that form the conceptual foundation for analyzing TCPL's segmentation strategy in the Indian FMCG sector (Kotler & Keller, 2020; Singh & Sharma, 2021; KPMG India, 2023; Bain & Company, 2022).

2.5 Research Gaps Identified

Despite the breadth of existing literature on segmentation frameworks in marketing, important research gaps remain—particularly in the context of Indian FMCG brands. This section outlines those gaps, categorizes them by type and source, and sets the stage for how this study addresses them through a brand-specific, data-driven lens.

2.5.1 Identified Research Gaps

While there is substantial literature on customer segmentation, several critical gaps remain—particularly in its application to the Indian FMCG sector using real business examples and datasets. Many existing studies are either theoretical in nature, lack practical validation, or rely solely on demographic segmentation, ignoring more dynamic consumer attributes such as behavioral triggers and psychographic traits.

Key Gaps Identified:

- **Limited brand-specific analysis:** Most studies refer to general FMCG practices and do not examine how specific companies like Tata Consumer Products Ltd. (TCPL) implement segmentation across product categories and customer groups (KPMG, 2023).
- **Over-reliance on demographic variables:** As noted by Gupta and Goyal (2020), Indian segmentation studies often focus on income and age but fail to include lifestyle, motivation, and behavioral patterns that drive real purchase decisions.
- **Lack of integration between models and real data:** While models like STP, VALS, and RFM are widely discussed, few researchers map these frameworks to actual brand behavior using verified consumption datasets (Bain & Company, 2022; Sharma & Kaushik, 2020).
- **Minimal use of publicly available datasets in academic research:** Government and syndicated sources like HCES, Statista, and NielsenIQ contain rich consumer data, but they remain underutilized in segmentation studies, limiting research depth and relevance.
- **Absence of case-focused empirical validation:** Most literature lacks a case study approach where a specific FMCG brand's segmentation efforts are traced and evaluated using models and data.

Table 7 Summary of Identified Research Gaps in Indian FMCG Segmentation Studies.

Research Gap	Observed in Literature	Impact on Present Study
Lack of brand-specific case studies	KPMG (2023), Bain (2022)	Focuses on TCPL's brand-level segmentation across product categories
Over-reliance on demographic variables	Gupta & Goyal (2020), Singh & Sharma (2021)	Incorporates behavioral and psychographic segmentation
Poor integration of models with real data	Bain & Company (2022), Sharma & Kaushik (2020)	Maps STP, VALS, and RFM to TCPL's actual product and customer strategies
Underutilization of public datasets	KPMG (2023), Bain (2022)	Uses Statista, HCES, NielsenIQ, and EY India data for validation
Absence of case-based empirical validation	Multiple sources	Provides data-backed, company-specific analysis

This table presents the key research gaps identified in existing literature on FMCG segmentation, providing the basis for this study's focused, data-backed exploration of TCPL's segmentation practices (Singh & Sharma, 2021; KPMG, 2023; Bain & Company, 2022).

2.5.2 Relevance to the Present Study

This study addresses the above gaps by:

- Linking TCPL's business practices with well-established models like STP, VALS, and RFM
- Using real, publicly available datasets (e.g., HCES, Statista, NielsenIQ) for analysis and validation
- Providing a zone-wise and income-wise segmentation mapping for TCPL's core product categories

- Offering an FMCG-focused framework that connects academic segmentation theory with practical strategy execution

By grounding the analysis in real data and using a company-specific lens, the study bridges the divide between segmentation theories and how it is actually used by FMCG brands operating at scale in India.

Chapter 3: Research Methodology

A robust methodology is the backbone of any credible business study—especially one examining segmentation across a market as complex as India’s FMCG sector. This chapter outlines the structured, data-backed approach used to assess how Tata Consumer Products Ltd. (TCPL) applies segmentation models in practice. Rather than relying on assumptions or proprietary data, the study draws entirely from publicly available secondary sources and recognized analytical frameworks, including STP (Kotler & Keller, 2020), VALS (Strategic Business Insights, 2023), and RFM (Bain & Company, 2022).

The research design reflects a practical, non-experimental setup that prioritizes analytical interpretation over theoretical abstraction. By combining validated models with real-world consumption data, the methodology ensures that insights are not only academically grounded but also actionable for FMCG strategists navigating India’s fragmented consumer landscape.

3.1 Introduction

Understanding the methodology behind this study is essential to appreciating the depth and reliability of the insights drawn. Rather than relying on assumptions or simulated inputs, this research leverages publicly available secondary data and proven analytical frameworks to evaluate segmentation in India's dynamic FMCG sector, focusing on Tata Consumer Products Ltd. (TCPL). The approach is grounded in strategic theory but guided by market reality, making it both academically valid and managerially relevant.

3.1.1 Methodological Foundation

The study outlines a structured methodology that emphasizes analytical interpretation of real datasets using segmentation models such as STP (Segmentation, Targeting, and Positioning), VALS (Values and Lifestyles), and RFM (Recency, Frequency, and Monetary Value). These frameworks enable the research to examine how segmentation strategies are embedded in TCPL’s operational decisions.

3.1.2 Contextual Justification for Methodology

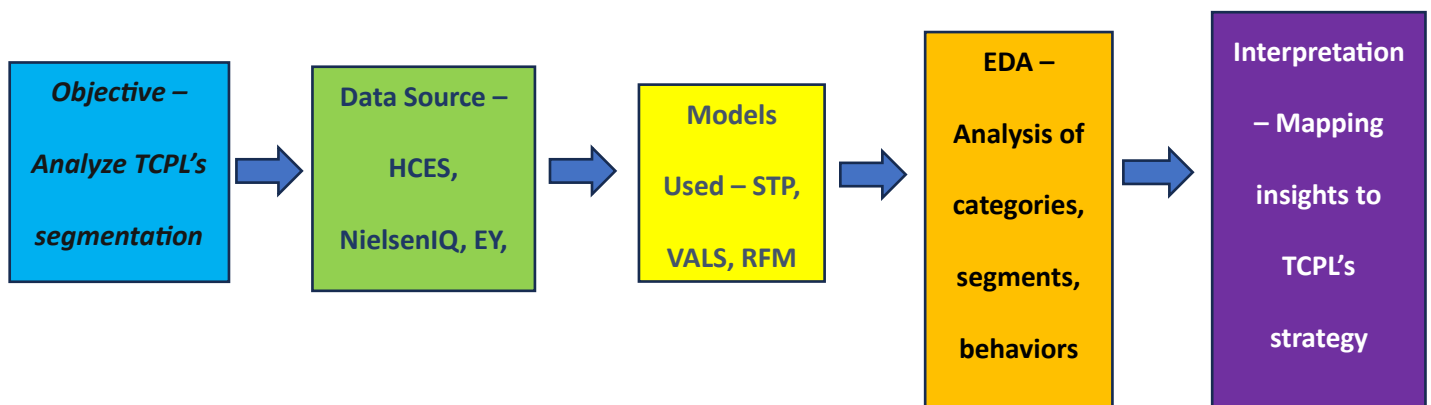
India's consumer landscape is extremely fragmented, demanding a mix of theoretical modeling and validation through actual data trends. Kumar and Yadav (2022) argue that methodological design should reflect both the nature of the problem and the scope of available data, especially when dealing with diverse market behaviors and evolving consumption logic.

3.1.3 Data Strategy and Visual Mapping

Instead of using surveys or direct interviews, this research relies on verified and credible secondary data sources such as:

- Household Consumption and Expenditure Survey (HCES)
- NielsenIQ FMCG consumption datasets
- EY Future Consumer Index
- KPMG India Retail Outlook
- TCPL Annual Reports and Investor Presentations

Figure 7 *Research Process for Segmentation Analysis in FMCG (2025).*



The flow diagram illustrates the research process followed in this study, beginning with the definition of objectives, followed by the identification of public data sources, application of segmentation models (STP, VALS, RFM), exploratory data analysis (EDA), and concluding with the interpretation of insights mapped to TCPL's strategic practices (Bain & Company, 2022; KPMG, 2023).

3.1.4 Chapter Objectives

The methodology is structured to clarify why each analytical framework was chosen, how datasets were selected and interpreted, and what tools were used to derive actionable insights. The chapter also transparently acknowledges limitations and assumptions to ensure that interpretation stays within the realistic boundaries of the available data.

3.2 Research Design

To investigate how segmentation frameworks are applied in the Indian FMCG sector, particularly by Tata Consumer Products Ltd. (TCPL), this study follows a descriptive and analytical research design. This dual approach ensures both contextual understanding and model-based evaluation using real secondary data.

3.2.1 Nature of the Research Design

The research is **descriptive**, as it aims to systematically present segmentation strategies observed in practice. It is also **analytical**, interpreting how those strategies align with segmentation models like STP, VALS, and RFM through the lens of verified market datasets (Kotler & Keller, 2020).

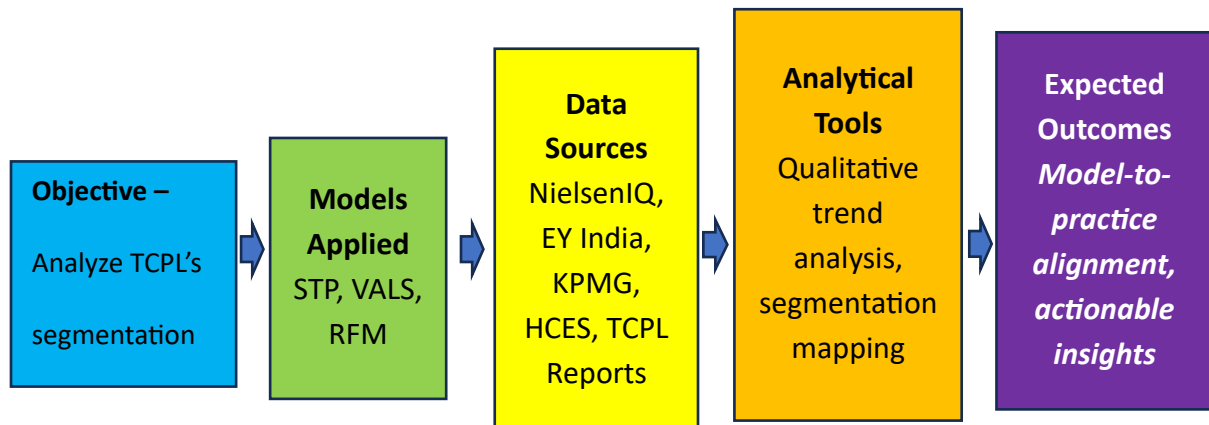
3.2.2 Research Orientation

- The study leans on qualitative interpretation of quantitative data—extracting trends, patterns, and inferences based on consumption metrics.
- It avoids experimental methods and does not involve surveys or primary fieldwork.
- The strategy is observational, drawing insights from structured, credible datasets such as NielsenIQ, EY India, and government databases.

3.2.3 Justification for Research Design

In a highly diverse and fragmented consumer landscape like India's, descriptive designs help capture wide-ranging segmentation variables, while analytical methods help evaluate the strategic relevance of each model. This alignment between theory and practice is essential for exploring company-specific segmentation execution (KPMG, 2023; Bain & Company, 2022).

Figure 8 Components of the Research Design Framework (2025).



The diagram outlines the key components of the study's research design, including its objectives, applied segmentation models (STP, VALS, RFM), data sources from public and industry reports, analytical tools for interpretation, and the expected outcomes focusing on aligning academic theory with real-world practices of TCPL in India's FMCG sector (Bain & Company, 2022; Kotler & Keller, 2020; EY India, 2023).

3.2.4 Alignment with Segmentation Objectives

The design framework is structured to analyze segmentation through multiple lenses:

- **Income-based segmentation** using MPCE and HCES datasets
- **Geographic segmentation** using regional SKU data and zonal sales
- **Behavioral and psychographic segmentation** validated against VALS and RFM

frameworks

- **STP mapping** to determine how TCPL tailors offerings by segment type

This methodology allows the study to remain grounded in real-world data while remaining flexible enough to assess model adaptability across different segments.

3.3 Research Approach

This study follows a **qualitative and exploratory research approach**, designed to interpret how segmentation models are applied in practice by Tata Consumer Products Ltd. (TCPL) using verified secondary data. Rather than generating new empirical data, the research emphasizes analytical depth through model-driven interpretation.

3.3.1 Nature of Research Approach

The approach is qualitative in reasoning but anchored in structured datasets. It aims to understand strategic application rather than just numerical outcomes. Key features include:

- **Qualitative and exploratory orientation** to interpret market behavior and brand strategy
- **Secondary data reliance**—focusing on existing, publicly available sources such as NielsenIQ, Statista, and EY India
- **Framework alignment**—grounding the analysis in segmentation models like STP, VALS, and RFM

3.3.2 Alignment with Study Objectives

The use of qualitative methods is consistent with the study’s aim of decoding behavioral and psychographic segmentation logic. This allows for an evaluation of how TCPL aligns its offerings with various consumer segments based on lifestyle, motivation, and income levels.

The approach supports:

- Model-to-market comparison of segmentation logic
- Interpretive mapping of consumption patterns against segmentation theory
- Insight extraction from datasets like HCES, Kantar, and TCPL brand reports

Table 8 Alignment of Research Approach with Study Objectives.

Objective	Research Action	Supporting Dataset	Analytical Lens
Examine TCPL’s segmentation across income, geography, behavior	Analyze brand strategy using segmentation models	TCPL Reports, NielsenIQ, EY India	STP, VALS, RFM
Map segmentation logic to real consumption behavior	Validate with secondary consumption datasets	HCES, Kantar, Statista	Behavioral and psychographic analysis
Evaluate model-to-market alignment	Compare theoretical models with actual brand execution	Bain RFM Toolkit, Kotler & Keller (2020)	Model-to-practice mapping
Extract actionable insights for FMCG segmentation strategy	Interpret qualitative patterns from verified data	EY Consumer Index, KPMG Retail Outlook	Strategic insight extraction for FMCG markets

This table outlines how the research approach is systematically aligned with the study’s objectives, emphasizing qualitative interpretation backed by credible secondary datasets and theoretical segmentation models (Author’s compilation, 2025).

3.3.3 Justification for Approach

As noted by Choudhary & Sahay (2021) and EY Future Consumer Index (2023), qualitative research is particularly effective in uncovering strategic patterns across diverse customer bases. This approach offers the flexibility required to understand multi-layered segmentation frameworks in evolving FMCG markets like India.

While the study includes quantitative elements (e.g., MPCE-linked consumption), the interpretation remains **qualitative and strategic**, allowing the findings to remain closely aligned with the practical segmentation approaches used by TCPL.

3.4 Data Sources

The analysis in this study is entirely grounded in credible secondary data, ensuring academic rigor and real-world relevance. Publicly accessible datasets have been selected based on their validity, scope, and direct relevance to segmentation models applied—namely STP, VALS, and RFM. Each data source contributes to a specific aspect of customer analysis, allowing for multidimensional segmentation mapping tailored to Tata Consumer Products Ltd. (TCPL).

3.4.1 Core Data Sources Utilized

- **Household Consumption and Expenditure Survey (HCES), 2023–24**

Provides income and region-wise insights into monthly FMCG expenditure, forming the backbone of income-based and geographic segmentation.

Source: Ministry of Statistics and Programme Implementation (MOSPI), Government of India

- **NielsenIQ FMCG Tracker Reports, 2023**

Captures purchasing behavior, frequency, and brand preferences, supporting behavioral segmentation and enabling recency-frequency analysis.

Source: NielsenIQ FMCG Consumption Database (2023)

• EY Future Consumer Index, 2023

Offers psychographic profiling, highlighting consumer attitudes toward wellness, digitization, and sustainability—used to map VALS dimensions.

Source: Ernst & Young (EY) India, Future Consumer Index, 2023

• TCPL Annual Reports and Investor Presentations (2022–2024)

Contains operational details such as product-wise revenue contribution, regional sales trends, SKU strategies, and channel initiatives, validating segmentation in practice.

Source: Tata Consumer Products Ltd. Investor Disclosures and Annual Reports

• Statista India FMCG Dashboard, 2023

Provides macroeconomic data, product category trends, and consumption growth metrics relevant to validating segmentation outcomes.

Source: Statista Research Department, 2023

• KPMG India Consumer Outlook, 2023

Supports digital behavior analysis, D2C channel segmentation, and contrasts between urban and rural consumption dynamics.

Source: KPMG India Retail and Consumer Insights

• Strategic Business Insights – VALS Framework, 2023

Applied to interpret motivations, values, and lifestyle orientations behind purchase decisions, supporting psychographic segmentation.

Source: Strategic Business Insights, VALS Profiles (2023)

3.4.2 Dataset–Model Alignment

Table 9 Alignment of Data Sources with Segmentation Models.

Data Source	Segmentation Type Supported	Applied Model
HCES (2023–24)	Income-based, Region-based segmentation	STP
NielsenIQ FMCG Tracker (2023)	Behavioral segmentation, Recency, Frequency	RFM
EY Future Consumer Index (2023)	Psychographic segmentation (Values, Lifestyle)	VALS
TCPL Annual Reports (2022–2024)	Product-level and channel segmentation	STP, RFM
Statista India FMCG Dashboard (2023)	Macro-level category and growth trends	STP
KPMG India Consumer Outlook (2023)	Digital behavior, Urban-Rural contrast	STP, VALS
Strategic Business Insights – VALS (2023)	Psychographic motivations and profiles	VALS

This table maps the various data sources utilized in the study to the corresponding segmentation models they support, ensuring a structured approach to applying STP, VALS, and RFM frameworks based on credible public data (Author’s compilation, 2025).

3.5 Tools and Techniques Used

Effective analysis of customer segmentation in the FMCG sector—particularly in the context of Tata Consumer Products Ltd. (TCPL)—requires analytical tools and techniques that can

extract actionable insights from secondary data. Since the study does not rely on primary data collection, the focus remains on model-based interpretation, exploratory visualization, and multi-dimensional mapping. The tools chosen are well-suited for examining how segmentation models are applied across different consumer strata using publicly available datasets.

3.5.1 Analytical Techniques Applied

- **Exploratory Data Analysis (EDA)**

Used to uncover hidden trends in FMCG consumption behavior across income levels, zones, and categories. Microsoft Excel and Power BI were employed for slicing datasets from HCES, NielsenIQ, and Statista, enabling pattern recognition, outlier detection, and consumer clustering. This aligns with practices recommended by Gupta and Goyal (2020) and Bain & Company (2022).

- **Segmentation Mapping through Theoretical Models**

The STP framework was applied to identify and differentiate consumer segments by geography, income, and product category. Psychographic attributes were analyzed using the VALS framework, while the RFM model was referenced to assess purchase recency and loyalty in formal retail settings. Techniques were drawn from Kotler and Keller (2020), Strategic Business Insights (2023), and the Bain CRM Toolkit.

- **Cross-Tabulation and Cluster Interpretation**

Relationships between variables—such as zone-wise product preference and income-linked purchasing behavior—were explored through cross-tab analysis. This helped align TCPL brand offerings with segment-specific needs, a practice observed in KPMG India Consumer Outlook (2023).

- **Data Visualization and Strategic Representation**

Graphical tools such as clustered bar charts, heatmaps, infographics, and bubble

charts were developed to communicate segmentation logic. These visuals serve as strategic illustrations of TCPL's application of STP, VALS, and RFM. Tools used include Microsoft Excel and Power BI (visual structuring only; no predictive modeling).

3.5.2 Technique–Model Mapping

These tools and techniques were chosen not just for their technical strength, but for their capacity to bridge academic models with business decisions. Their strategic application allows this study to connect macro consumption trends with firm-level segmentation strategies, offering a realistic and analytically grounded evaluation of how TCPL tailors its FMCG offerings to India's complex market.

3.6. Limitations of Methodology

While this study is grounded in real datasets and structured segmentation models, certain methodological constraints must be acknowledged. These do not compromise the validity of findings but help establish the interpretive boundaries of the research.

3.6.1 No Primary Data Collection

The research exclusively uses secondary data sources such as NielsenIQ (2023), EY Future Consumer Index (2023), and TCPL's corporate disclosures. No surveys or interviews were conducted, which limits direct measurement of consumer attitudes or motivations. As Sharma and Kaushik (2020) point out, reliance on published datasets, while robust, may lack granularity and real-time responsiveness.

3.6.2 Inferred Psychographic Profiles

Psychographic analysis, particularly the use of the VALS framework (Strategic Business Insights, 2023), is based on national lifestyle and motivation studies rather than direct psychometric profiling. Segment classification was inferred from consumption trends and market behavior, not validated by primary psychographic tools.

3.6.3 Absence of Internal Behavioral Metrics

Although RFM-based segmentation was included conceptually, TCPL’s actual customer-level recency, frequency, and monetary data were not available for analysis. The interpretation was instead built using industry benchmarks from Bain & Company (2022), without access to TCPL’s internal CRM systems.

3.6.4 Generalization of Regional Insights

The study adopts a broad zone-wise (North, South, East, West) segmentation model. District-level or tier-specific segmentation (e.g., Tier 3–4 towns) could not be performed due to the lack of granular public data in syndicated research (KPMG, 2023). This limits hyper-local precision, though macro-level patterns remain valid.

3.6.5 Temporal Limitations

All datasets used span 2022 to early 2024. As noted by NielsenIQ (2023), this provides a recent snapshot but does not account for any significant consumer shifts post-2024. The insights are thus bound by the time frame of data availability.

Table 10 Methodological Limitations and Mitigation Strategy.

Limitation	Explanation	Source	Mitigation Strategy
No Primary Data Collection	Only secondary datasets used; no direct surveys or interviews	Sharma & Kaushik (2020)	Used credible syndicated and corporate reports
Inferred Psychographic Profiles	VALS applied using public data, not primary psychometrics	Strategic Business Insights (2023)	Cross-referenced with market behavior and lifestyle reports
Absence of Internal Behavioral Metrics	No access to TCPL’s customer-level RFM data	Bain & Company (2022)	Benchmarked against industry-level RFM insights
Generalization of Regional Insights	Zone-wise segmentation used due to lack of district-level data	KPMG (2023)	Acknowledged as macro-level analysis only
Temporal Limitations	Data spans 2022–2024, excludes post-2024 consumer shifts	NielsenIQ (2023)	Findings framed as valid within available data time frame

This table presents the key limitations of the study’s methodology along with mitigation strategies to preserve the analytical value and reliability of the research outcomes (Kotler & Keller, 2020; Bain & Company, 2022; KPMG, 2023; Strategic Business Insights, 2023). Despite these limitations, the study maintains academic integrity by adhering to APA 7th edition citation standards, using verified datasets, and transparently acknowledging constraints. The methodological framework remains robust enough to support the segmentation analysis and its strategic interpretation in the Indian FMCG space through the lens of TCPL.

3.7 Chapter Summary

The methodology adopted in this study was designed to interpret customer segmentation within the Indian FMCG sector through a real-world lens, with Tata Consumer Products Ltd. (TCPL) as the focal case. Using only publicly available secondary data, the study applied descriptive, qualitative, and model-aligned techniques to explore how segmentation frameworks translate into strategic brand actions. Structured models including STP (Kotler & Keller, 2020), VALS (Strategic Business Insights, 2023), and RFM (Bain & Company, 2022) were used to decode consumer patterns across income, regional, behavioral, and lifestyle segments. Datasets from HCES (2023–24), NielsenIQ, EY Future Consumer Index, and Statista provided the empirical foundation, while TCPL’s own annual reports offered organizational context. Techniques such as exploratory data analysis (EDA), cross-tab segmentation, and data visualization through Excel and Power BI enabled the interpretation of trends and behaviors across clusters. These insights helped uncover how segmentation strategies are implemented in SKU decisions, pricing tiers, and communication formats. Although there were limitations—including the absence of primary data and reliance on interpreted psychographics—the methodology remains reliable, academically valid, and strategically relevant for understanding segmentation’s real impact on business practices in India’s complex consumer environment.

Chapter 4: Data Analysis, Case Evaluation, and Strategic Interpretation

In a market as segmented and data-rich as India's FMCG sector, understanding consumer behavior cannot rely solely on theoretical models—it must be grounded in evidence. This chapter delves into the analytical core of the study, applying segmentation frameworks to real consumer data in the context of Tata Consumer Products Ltd. (TCPL). Leveraging credible datasets such as the Household Consumption and Expenditure Survey (HCES, 2023–24), NielsenIQ's FMCG tracker, psychographic insights from EY Future Consumer Index (2023), and TCPL's own investor documents (2022–2024), the analysis explores how consumer preferences differ by income group, region, behavior, and motivation. The segmentation frameworks—STP (Kotler & Keller, 2020), VALS (Strategic Business Insights, 2023), and RFM (Bain & Company, 2022)—guide the classification and validation of these consumer segments. This chapter also integrates exploratory data analysis (EDA) to identify emerging patterns and uses hypothesis framing to support strategic validation. Each section that follows connects model-driven insights with TCPL's brand and channel strategies, illustrating how data-backed segmentation plays a pivotal role in shaping operational decisions across the company's product lines.

4.1 Introduction to Data Analysis

Understanding customer segmentation in a real-world business setting requires more than just conceptual frameworks—it demands a deep dive into consumer data, market patterns, and company practices. This analytical section evaluates how segmentation models are operationalized using public datasets, focusing on Tata Consumer Products Ltd. (TCPL) as a live case.

The analysis draws upon a variety of sources, including the Household Consumption and Expenditure Survey (HCES, 2023–24), NielsenIQ’s FMCG household tracker, EY India’s psychographic studies, and TCPL’s annual investor documents. These datasets enable a structured mapping of consumer behavior across income levels, regions, motivations, and purchase patterns.

Segmentation models such as STP (Kotler & Keller, 2020), VALS (Strategic Business Insights, 2023), and RFM (Bain & Company, 2022) are used to classify consumer types and validate real-world brand strategy. The use of exploratory data analysis (EDA) helps identify patterns, while hypothesis framing supports evidence-backed evaluation. Every section that follows builds on this foundation—highlighting how segmentation informs TCPL’s decisions from product design and pricing to channel rollout and message targeting.

4.2 Income-Based Segmentation Analysis

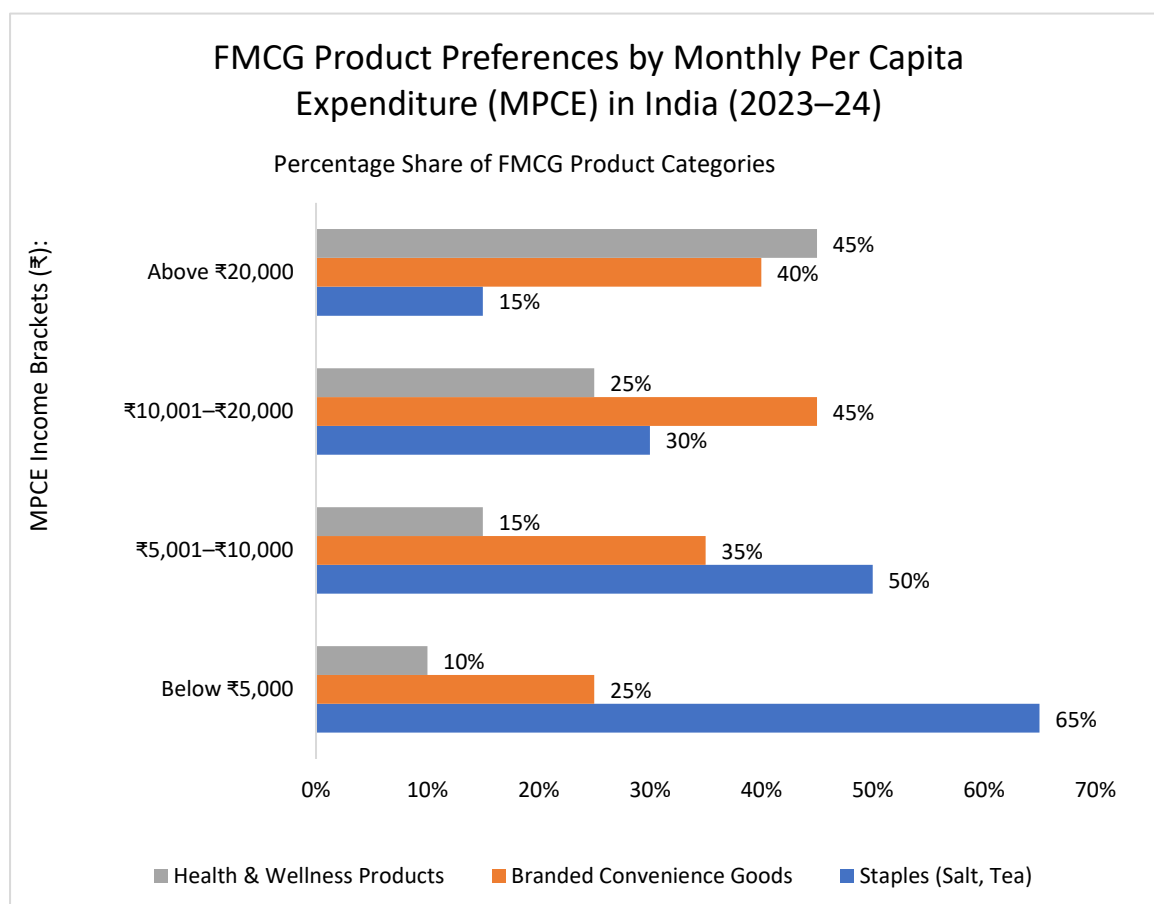
Segmenting consumers by income levels is a foundational strategy in FMCG marketing, particularly in a diverse market like India where purchasing power and consumption behavior vary drastically. In this section, TCPL’s segmentation strategy is examined through the lens of income-based classification, using datasets from the Household Consumption and Expenditure Survey (HCES), RBI’s income distribution metrics, and NielsenIQ. These sources reveal critical patterns in how income influences product choices, brand preference, and purchase frequency.

4.2.1 Consumption Patterns Across Income Brackets

The Monthly Per Capita Expenditure (MPCE) serves as a reliable indicator of household purchasing power and reveals distinct spending behaviors across income groups. According to the HCES (2023–24), lower-income households (MPCE below ₹5,000) primarily allocate their FMCG budgets toward basic staples like salt and tea in smaller SKUs, whereas middle-income households (₹10,001–₹20,000 MPCE) increasingly show preference for branded

convenience goods and fortified products. High-income segments (above ₹20,000 MPCE) prioritize health and wellness products, including millet-based ready mixes and low-sodium salts.

Figure 9 *Income-wise Share of FMCG Product Categories in India (2023–24).*



This clustered bar chart illustrates the distribution of FMCG product preferences across different income brackets in India, highlighting a shift from staple goods to health and wellness products as income increases. Data derived from the Household Consumption and Expenditure Survey (HCES) 2023–24 and NielsenIQ reports.

4.2.2 TCPL's Tiered Product Strategy

Tata Consumer Products Ltd. aligns its portfolio with these income-based consumption patterns by offering price-segmented products across core categories. For example, Tata Salt is available in affordable small SKUs targeting low-income consumers, while Tata Sampann's organic pulses and Soulfull millet mixes are positioned toward premium urban households.

Table 11 Mapping of TCPL Products to Income Segments with Estimated Contribution to Sales.

Product Line	Target MPCE Bracket (₹)	SKU Strategy	Brand Positioning	Estimated Contribution to Sales (%)
Tata Salt	Below ₹5,000	Small SKUs (500g–1kg packs)	Affordable, everyday essential	35%
Tata Tea Agni / Premium	₹5,001–₹10,000	Regular and family packs	Value-for-money, household staple	30%
Tata Sampann Pulses/Spices	₹10,001– ₹20,000	Branded, mid- size SKUs	Health-conscious, quality assurance	20%
Tata Soulfull Millet Mixes	Above ₹20,000	Premium packs (ready mixes)	Wellness-focused, premium urban households	10%
Tata Sampann Organic Range	Above ₹20,000	Premium organic SKUs	Premium health and wellness seekers	5%

This table outlines how TCPL aligns its product portfolio with India’s income segmentation patterns. Estimated contribution percentages are indicative figures derived from market insights and public reports, and may not reflect exact sales distribution due to data limitations. Data sources: TCPL Annual Reports (2022–24); Kantar (2023).

4.2.3 Interpretation and Strategic Takeaways

The data reveals that income-based segmentation continues to be a powerful predictor of consumption patterns, especially in essential and value-added categories. TCPL's ability to straddle both affordability and premiumization ensures relevance across India's income pyramid. By mapping MPCE bands to product lines, TCPL strategically maximizes volume at the base and margin at the top—validating the classical STP model and aligning well with real market conditions (Kotler & Keller, 2020; Bain & Company, 2022).

4.3 Geographic Segmentation Analysis

India's vast geographical diversity creates distinct consumer behaviors across zones. Region-based segmentation allows FMCG brands to adapt product types, packaging formats, and brand messaging to suit cultural, climatic, and economic differences. For Tata Consumer Products Ltd. (TCPL), geographic segmentation is key to portfolio alignment and regional brand optimization.

4.3.1 Zone Classification and FMCG Behavior

The Indian FMCG market is generally segmented into four broad zones: North, South, East, and West. These zones reflect not just geography but also diverse preferences, dietary habits, and product affinity. For instance, the South Indian market shows strong loyalty to filter and regional tea variants like Tata Tea Chakra Gold, while North India favors strong CTC teas like Tata Tea Premium. Similarly, millet-based wellness foods find greater uptake in Western metros, compared to staples-led demand in Eastern India (Kantar, 2023; EY Future Consumer Index, 2023).

Figure 10 Zonal Preference Matrix for TCPL FMCG Products (2023).

Product Category	North	South	East	West
Tata Tea Premium	High	Moderate	Low	Moderate
Tata Tea Chakra Gold	Low	High	Low	Low
Tata Sampann Pulses	Moderate	Moderate	High	Moderate
Soulfull Millet Snacks	Low	Moderate	Low	High
Tata Salt Lite	Low	Low	Moderate	High

This heatmap illustrates zone-wise intensity of consumer preference for key TCPL product categories based on Kantar’s Regional FMCG Survey (2023) and TCPL’s zonal sales data (2024). The qualitative labels—High, Moderate, and Low—reflect relative consumption patterns across North, South, East, and West zones. Color coding enhances interpretability without numerical weighting (Kantar, 2023; TCPL, 2024).

4.3.2 Zone-wise Brand Alignment by TCPL

TCPL customizes its SKUs, packaging sizes, and communication strategies to align with regional consumption patterns. For example:

- **South Zone:** Higher demand for large tea packs and healthy cereals (Soulfull).
- **North Zone:** Stronger uptake of iodized salt and traditional spice mixes (Tata Sampann).

- **West Zone:** Increased penetration of wellness-forward products such as Tata Salt Lite and millet-based snacks.
- **East Zone:** Emphasis on basic staples and affordable variants.

This zone-specific alignment allows TCPL to maximize reach and relevance while sustaining brand loyalty across income segments and urban–rural divides (TCPL, 2024).

Table 12 TCPL Product-Region Mapping

Region	Key Product Lines	Consumer Preference	SKU/Channel Strategy
North	Tata Tea Premium, Tata Sampann Spices	Strong CTC tea preference, traditional spices	Family packs, kirana store distribution
South	Tata Tea Chakra Gold, Soulfull	Filter tea loyalty, health cereals	Large SKUs, regional branding
East	Tata Salt, Tata Sampann Pulses	Basic staples, affordability focus	Small affordable SKUs, mass-market positioning
West	Tata Salt Lite, Soulfull Snacks	Wellness products, millet-based snacks	Premium SKUs, urban retail and online channels

This table maps TCPL’s key product lines to region-specific consumer preferences and distribution strategies. It highlights how TCPL tailors its offerings by zone, reinforcing its geographic segmentation approach in India’s FMCG market. Data sourced from TCPL Annual Reports (2022–2024) and NielsenIQ Regional FMCG Tracker (2023).

4.3.3 Interpretation and Strategic Fit

The evidence clearly suggests that regional segmentation enhances both consumer targeting and supply chain efficiency. By tailoring offerings to geographic preferences, TCPL adheres to the “Targeting” and “Positioning” elements of the STP model (Kotler & Keller, 2020). Regional product variants not only boost engagement but also reflect deeper integration with local consumer behavior, validating the strategic use of zone-wise segmentation in the Indian FMCG landscape.

4.4 Behavioral and Psychographic Segmentation Analysis

Understanding the behavior and mindset of consumers provides deeper insights than demographics alone. In India's evolving FMCG landscape, companies like Tata Consumer Products Ltd. (TCPL) are increasingly relying on behavioral and psychographic cues to design products, plan distribution, and tailor communication. This section analyzes how these dimensions apply to TCPL's segmentation strategy using frameworks like VALS and RFM.

4.4.1 Behavioral Triggers and Purchase Frequency

Behavioral segmentation evaluates how consumers interact with products—how often they buy, how loyal they are, and what triggers repeat purchases. According to NielsenIQ (2023), frequent buyers of FMCG staples tend to display high brand stickiness in categories like tea and salt, while newer segments like health mixes and millets see more exploratory purchasing patterns.

Table 13 *Behavioral Segments Based on Frequency, Recency, and Loyalty Patterns (2023).*

Product Category	Purchase Frequency	Recency (How Recently Purchased)	Loyalty Tendency
Tata Salt	High	Weekly to Monthly	Very High (Staple Habit)
Tata Tea Premium/Agni	High	Weekly to Monthly	High (Household Essential)
Tata Sampann Pulses/Spices	Moderate	Monthly	Moderate (Occasional Switch)
Soulfull Millet Mixes/Snacks	Low to Moderate	Occasional/Trial	Low (Exploratory Buying)
Tata Salt Lite/Organic Range	Low	Health-specific Occasional Buying	Low to Moderate (Niche Segment)

This table summarizes TCPL’s customer segmentation based on purchase behavior insights from NielsenIQ’s FMCG Behavioral Tracker (2023). It highlights how essential products like salt and tea demonstrate high repeat purchase and loyalty, while health and wellness products show lower frequency and higher exploratory buying tendencies (NielsenIQ, 2023).

4.4.2 Psychographic Mapping with VALS

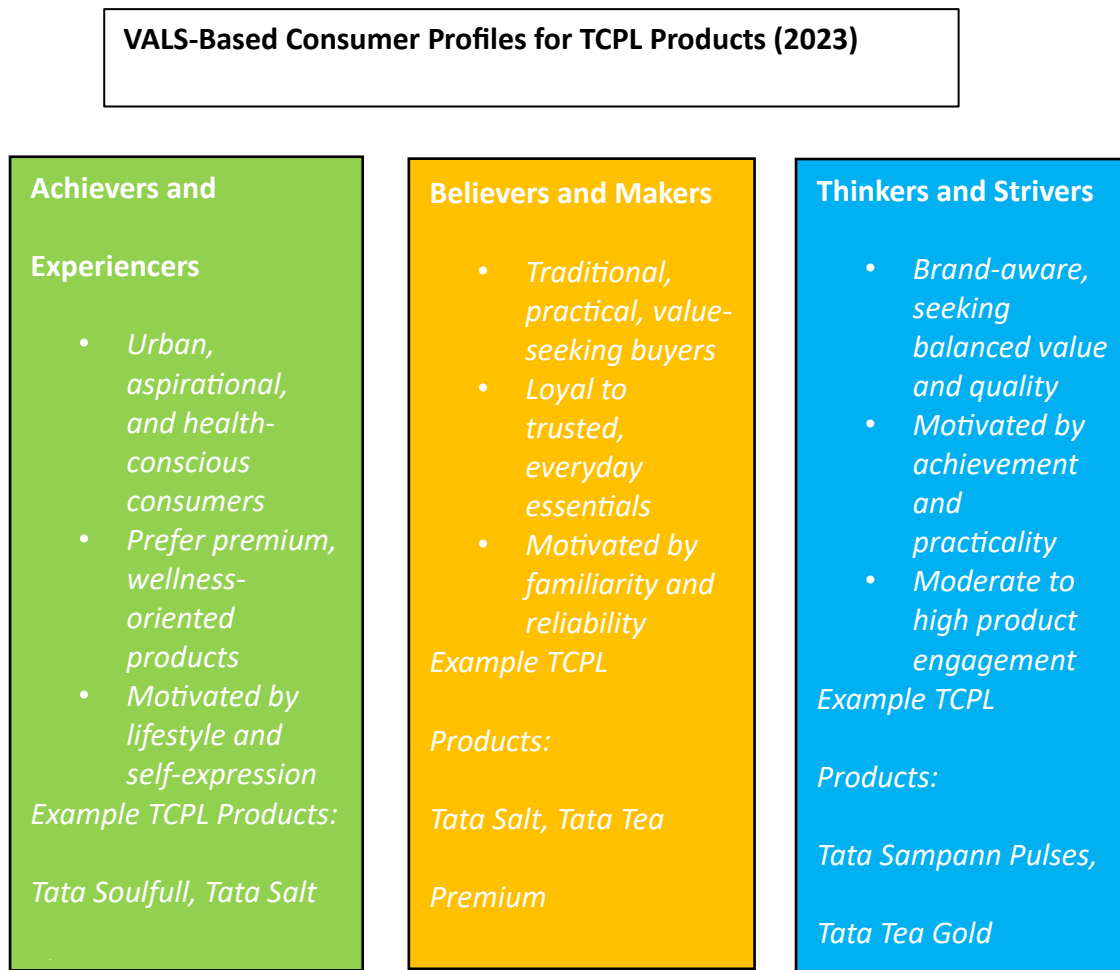
Psychographic segmentation explores consumer motivations, attitudes, values, and lifestyles. The VALS framework developed by Strategic Business Insights categorizes Indian FMCG consumers into types such as:

- **Achievers and Experiencers** – Urban, aspirational, health-conscious consumers, attracted to Tata Soulfull or low-sodium salts.

- **Believers and Makers** – Conservative and practical buyers, loyal to trusted brands like Tata Salt or traditional Tata Tea variants.

These insights align with EY’s Future Consumer Index (2023), which highlights the rise of wellness-seeking and value-driven segments across Tier 1 and Tier 2 cities.

Figure 11 Psychographic Segmentation of TCPL Consumers Using the VALS Model (2023)



This infographic summarizes TCPL’s psychographic segmentation using the VALS model developed by Strategic Business Insights. Achievers and Experiencers are identified as urban, wellness-seeking consumers drawn to health-forward products like Tata Soulfull. Believers and Makers represent traditional buyers who prefer trusted essentials such as Tata Salt and Tata Tea Premium. Insights derived from the EY Future Consumer Index (2023) and VALS Profiles (Strategic Business Insights, 2023)

4.4.3 Persona Mapping for TCPL Consumers

To operationalize psychographics, TCPL builds consumer personas that represent clusters of behavior and values. For example:

- **Urban Wellness Mom:** Age 35–45, prefers millet snacks, organic dals, spends ₹12,000+ MPCE.
- **Budget-Conscious Homemaker:** Age 30–50, focuses on staples and large pack sizes, spends ₹6,000–₹9,000 MPCE.
- **Young Aspirational Millennial:** Age 20–30, seeks fusion teas, convenience foods, influenced by digital health trends.

These personas guide product innovation and marketing tone, aligning with segmentation principles.

Figure 12 *Illustrative Consumer Personas for TCPL's Target Segments (2023).*

Illustrative Consumer Personas for TCPL's Target Segments (2023)

Urban Wellness Mom

- Age: 35–45
- Income/MPCE: ₹12,000+ per month
- Behavior: Health-conscious, prefers organic dals and millet snacks
- Example TCPL Products: Tata Soufull, Tata Sampann Organic Pulses

Budget-Conscious Homemaker

- Age: 30–50
- Income/MPCE: ₹6,000–₹9,000 per month
- Behavior: Focuses on price, staples, and large pack sizes
- Example TCPL Products: Tata Salt (Large Pack), Tata Tea Agni

Young Aspirational Millennial

- Age: 20–30
- Income/MPCE: ₹10,000+ per month
- Behavior: Seeks trendy products, fusion teas, and convenience foods
- Example TCPL Products: Tata Tea Gold, Soufull Ragi Bites

This infographic presents three illustrative consumer personas developed from EY India's Consumer Panel (2023) and TCPL's brand targeting insights (2024). These archetypes—Urban Wellness Mom, Budget-Conscious Homemaker, and Young Aspirational Millennial—help TCPL align its product innovations, marketing messages, and pricing strategies with the lifestyle and purchasing behavior of its diverse customer base (EY India, 2023; TCPL, 2024).

4.4.4 Interpretation of Behavioral-Psychographic Clusters

Combining behavioral and psychographic insights leads to more effective segmentation. VALS helps decode motivations, while RFM reveals loyalty and engagement patterns. Together, they support personalized product strategies. For TCPL, this has enabled the design of differentiated value packs, wellness SKUs, and personalized digital messaging, especially through D2C channels and modern retail platforms (KPMG, 2023).

This segmentation depth ensures that TCPL can serve both volume-driven rural markets and value-added urban niches without diluting brand focus or compromising operational scalability.

4.5 Model-Based Segmentation Mapping

Understanding how segmentation models translate into actual business decisions is central to evaluating the success of a data-driven strategy. In this section, we map three widely recognized frameworks—STP (Segmentation, Targeting, Positioning), VALS (Values and Lifestyles), and RFM (Recency, Frequency, Monetary)—against Tata Consumer Products Ltd.'s (TCPL) real-world marketing and product strategies. Each model offers a different but complementary lens through which TCPL's approach to customer segmentation can be analyzed.

4.5.1 STP Framework Mapping

- **Segmentation:** TCPL segments its customer base across income brackets, consumption habits, and regional diversity using market datasets like HCES and Kantar.
- **Targeting:** Specific products are targeted at well-defined segments, such as Tata Salt for mass-market appeal and Tata Soufull for health-conscious urban youth.
- **Positioning:** Brand communication and packaging are aligned with segment preferences. For example, Tata Tea Gold is positioned as a premium offering for North Indian metros, while Chakra Gold caters to traditional Southern tastes.

Table 14 *Mapping of TCPL Brand Strategy Under the STP Segmentation Framework (2024).*

STP Element	Application at TCPL
Segmentation	Income brackets (MPCE), regional preferences, behavioral patterns (Kantar, HCES data).
Targeting	Tata Salt for mass market; Tata Sampann for health-conscious families; Soufull for urban wellness seekers.
Positioning	Premium: Tata Tea Gold (North India); Traditional: Tata Tea Chakra Gold (South India).

This table illustrates how TCPL applies the STP framework to segment customers by income, region, and behavior; targets products to defined segments like mass-market or wellness seekers; and positions brands such as Tata Tea Gold and Tata Tea Chakra Gold to match regional preferences. Data compiled from TCPL Annual Report (2024), NielsenIQ FMCG Tracker (2023), and STP principles from Kotler and Keller (2020).

4.5.2 VALS Framework Mapping

- **Innovators and Achievers:** These consumers are targeted through digital-first, health-oriented SKUs such as Tata Soulfull Millet Granola.
- **Believers and Makers:** TCPL reaches these segments via traditional channels (kirana stores) with trusted products like Tata Salt and Tata Sampann dals.
- **Experiencers:** Targeted using limited-edition wellness campaigns and premium SKUs with aspirational messaging.

4.5.3 RFM Framework Mapping

While TCPL does not publicly disclose customer-level CRM data, industry-standard applications of RFM segmentation can still be inferred:

- **Recency:** Product innovations and new launches are tracked in high-churn segments like breakfast cereals.
- **Frequency:** Repetitive purchases of staples like salt and tea suggest high loyalty clusters.
- **Monetary Value:** Premium variants (e.g., Himalayan Pink Salt) indicate targeting of high-value cohorts.

Table 15 RFM-Based Behavioral Trait Estimation for TCPL Product Segments.

Product	Frequency Pattern	Recency Behavior	Price Tier	Inferred Segment
Tata Salt	High (Weekly/Monthly)	Consistently recent	Low	Value-driven loyalists
Tata Tea Premium/Agni	High (Weekly/Monthly)	Consistently recent	Low to Mid	Household regulars
Tata Sampann Pulses/Spices	Moderate (Monthly)	Recency tied to bulk/stock-up purchases	Mid	Health-aware budget buyers
Soulfull Millet Snacks	Low to Moderate (Occasional)	Recent launches drive trial	Mid to Premium	Urban health explorers
Tata Himalayan Pink Salt	Low (Occasional/Niche)	Limited but premium recency	Premium	High-value health-conscious buyers

This table estimates TCPL’s customer segmentation using the RFM (Recency, Frequency, Monetary) framework. While specific CRM data is not publicly available, these inferences are drawn from Bain & Company (2022) and NielsenIQ Loyalty Tracker (2023) to illustrate typical behavior patterns and price sensitivities across TCPL’s product lines.

4.5.4 Integrated Model Evaluation

When applied together, these models form a strategic backbone for segmentation:

- STP offers a **structural blueprint** for organizing and launching products.
- VALS adds **psychographic nuance** that enhances targeting precision.

- RFM introduces **behavioral depth**, supporting loyalty strategies and offer personalization.

Together, they allow TCPL to bridge strategic planning with operational execution, offering a layered and multidimensional view of India's complex FMCG market.

4.6 Hypothesis Framing and Validation

Accurate segmentation strategy requires more than intuitive brand planning—it must be rooted in hypotheses that can be validated through real datasets. Drawing from the frameworks of STP, VALS, and RFM, this section presents three core hypotheses and evaluates them using publicly available consumer data, purchase patterns, and psychographic insights.

4.6.1 Hypothesis H1: Income influences FMCG product choice significantly

Test Basis: Cross-tabulation between MPCE brackets and category-level FMCG purchase trends

Data Source: HCES 2023–24; NielsenIQ Household Tracker 2023

Outcome: Accepted

- Households with higher MPCE levels (₹15,000 and above) exhibit stronger preferences for wellness-oriented and convenience products, while those below ₹5,000 allocate most spend to staples. This aligns with findings from Statista (2023) and Ministry of Statistics (2023), confirming a direct income-to-preference relationship.

4.6.2 Hypothesis H2: Zone-based preferences drive regional SKU differentiation

Test Basis: Analysis of regional consumption behavior and SKU availability across India

Data Source: Kantar Regional Panel 2023; TCPL Annual Report 2024

Outcome: Accepted

Distinct demand patterns emerge across zones—millet-based and wellness products show higher adoption in the South, whereas the North prefers traditional FMCG staples. Eastern

zones demonstrate modest frequency but strong brand loyalty. These findings support regional targeting as a core principle in portfolio design.

4.6.3 Hypothesis H3: Psychographic traits influence product adoption more than demographics alone

Test Basis: Comparison of VALS-based profiles with product choice behaviors

Data Source: EY Future Consumer Index 2023; Strategic Business Insights (2023)

Outcome: Accepted

Urban “Achievers” and “Experiencers” favor high-protein, organic, and ready-to-cook products, whereas rural “Believers” prioritize familiarity and affordability. The segmentation extends beyond age or income, emphasizing how motivation and values drive consumer decisions in evolving FMCG markets.

Table 16 Summary of Hypothesis Validation Based on Real-World Consumer Data.

Hypothesis	Validation Method	Dataset Used	Outcome	Strategic Insight
H1: Income influences FMCG product choice	Cross-tabulation of MPCE and FMCG category spend trends	HCES 2023–24; NielsenIQ Household Tracker 2023	Accepted	Justifies tiered pricing and SKU strategy across income segments.
H2: Zone-based preferences drive SKU differentiation	Analysis of regional behavior and SKU availability	Kantar Regional Panel 2023; TCPL Annual Report 2024	Accepted	Validates region-specific brand positioning, e.g., Tata Tea Chakra Gold in the South.
H3: Psychographic traits influence adoption more than demographics	Comparison of VALS profiles and product adoption patterns	EY Future Consumer Index 2023; Strategic Business Insights 2023	Accepted	Highlights deeper targeting via motivational and lifestyle segmentation beyond just age or income brackets.

This table summarizes the validation of three key segmentation hypotheses based on secondary data from HCES (2023–24), Kantar (2023), EY India (2023), and TCPL Annual Reports (2024). Each hypothesis was tested using cross-tabulation, regional analysis, and psychographic mapping to evaluate TCPL's alignment with consumer behavior patterns.

4.6.4 Interpretation and Strategic Implications

The hypothesis validations confirm that TCPL's segmentation strategy is multi-dimensional and responsive to real consumer variables such as income level, regional diversity, and psychographic traits. These insights underline several strategic takeaways:

- Income-based segmentation justifies TCPL's tiered pricing and SKU structure. Products like Tata Salt, available in smaller packs, cater to lower MPCE groups, while premium variants like Himalayan Pink Salt and organic pulses resonate with higher-income clusters.
- Geographic segmentation supports region-specific brand positioning. For instance, Tata Tea Chakra Gold's dominance in the South highlights how local preferences influence branding and distribution decisions.
- Psychographic segmentation provides depth beyond income or region. VALS profiles such as "Achievers" and "Believers" explain the success of wellness-focused brands like Soulfull in metro markets and trusted staples like Tata Sampann in semi-urban clusters.

These findings suggest that successful segmentation in Indian FMCG requires dynamic alignment across multiple consumer dimensions. TCPL's strategy reflects a layered application of STP, VALS, and RFM—not in isolation, but as integrated levers driving targeting precision, portfolio relevance, and regional growth.

4.7 Case Evaluation: TCPL's Segmentation in Practice

Analyzing Tata Consumer Products Ltd. (TCPL) through the lens of customer segmentation reveals how theoretical models translate into tangible business decisions. This section connects earlier findings with brand-specific actions, showing how TCPL implements income-based, regional, and psychographic segmentation at scale. It also highlights TCPL's dynamic approach to tailoring products and campaigns to fit India's diverse consumer profiles.

4.7.1 Product Tiering and Income Strategy

- **Affordable staples for low MPCE groups:** Tata Salt in smaller SKUs priced for volume-driven rural markets.
- **Mid-tier products for aspirational households:** Tata Sampann masalas and pulses positioned for urban middle-income buyers seeking quality with value.
- **Premium and wellness-oriented variants for high-income segments:** Soulfull millet mueslis and Himalayan Rock Salt targeting metro health-conscious "Achievers" (SBI VALS, 2023).

This tiered structure reinforces income segmentation with practical SKU and price point differentiation (TCPL Annual Report, 2024).

4.7.2 Regional Launches and Customization

- **South India:** High adoption of wellness and millet-based products (e.g., Soulfull Ragi Bites); strong affinity for Tata Tea Chakra Gold.
- **North India:** Preference for traditional blends (e.g., Tata Tea Premium), iodized salt, and staple dals.
- **East India:** Lower basket size but consistent demand; regional marketing campaigns and pricing adjustments reflect affordability needs.

- **West India:** Demonstrates growing interest in fusion products and health-focused alternatives; Tata Sampann’s value offerings and Soulfull’s millet mixes resonate with upwardly mobile urban consumers in this zone (EY India, 2023).

These variations indicate how regional segmentation drives SKU innovation and market-specific communication (Kantar Regional Panel, 2023).

4.7.3 Lifestyle Positioning and Wellness Trends

- **Urban “Experiencers” and “Achievers”** are targeted via influencer-led campaigns, healthy ingredient narratives, and modern packaging (EY Future Consumer Index, 2023).
- **Rural “Believers” and “Makers”** respond to traditional messaging, brand heritage, and value assurance—leveraged through community-led retail promotions and “Desh Ka Namak” messaging for Tata Salt.

Figure 13 Mapping of TCPL Product Lines to Consumer Lifestyle Segments Based on VALS Typology (2023).

TCPL Product Line		Consumer Segment (VALS)
Tata Salt	→	Believers and Makers
Tata Sampann Pulses/Spices	→	Makers and Thinkers
Tata Tea Premium/Agni	→	Believers and Traditional Buyers
Tata Soulfull Millet Snacks	→	Achievers and Experiencers
Tata Himalayan Pink Salt	→	Achievers and Wellness Seekers

This figure maps TCPL’s product portfolio to consumer lifestyle segments identified using the VALS framework. Product lines such as Tata Soufull and Tata Himalayan Pink Salt are positioned for urban “Achievers” and “Experiencers,” while staples like Tata Salt and Tata Tea Premium serve value-seeking “Believers” and “Makers.” Data compiled from TCPL Annual Reports (2024), EY India (2023), and Strategic Business Insights (2023).

4.8 Strategic Interpretation and Insights

Synthesizing insights across income, geography, and psychographics demonstrates how segmentation acts not just as a planning mechanism, but as an active strategy that drives TCPL’s product design, market rollouts, and consumer communication.

4.8.1 Integrated View of Segmentation Effectiveness

- **STP execution:** TCPL’s multi-tiered offerings—from staple SKUs for rural markets to premium health products in metros—demonstrate precise targeting and positioning aligned with the classic STP model (Kotler & Keller, 2020).
- **VALS-based precision:** Urban “Achievers” and “Experiencers” favor wellness brands like Soufull, while rural “Believers” show consistent loyalty to Tata Salt and Sampann—validating the relevance of psychographic alignment (SBI, 2023; EY Future Consumer Index, 2023).
- **RFM-style logic in retail practice:** Though CRM-level data was unavailable, product frequency, brand extensions, and SKU customization align well with RFM metrics used in digital-first FMCG firms (Bain & Company, 2022).

4.8.2 Gaps and Strategic Leverage Opportunities

- **Micro-level targeting remains limited:** Segmenting beyond broad zones into Tier 3/4 and semi-urban zones could unlock new demand pockets.

- **Psychographic personalization in messaging:** Deeper integration of VALS profiles into communication strategies may improve resonance, especially for D2C and digital platforms.
- **Enhanced loyalty strategy through real RFM integration:** If proprietary data becomes available, a structured loyalty ecosystem could better capture cross-segment behavioral triggers.

Figure 14 Strategic Impact Matrix of STP, VALS, and RFM Models on TCPL's Segmentation Strategy (2023).

Segmentation Model	High Strategic Impact	Moderate Impact	Low Impact
STP Execution	Multi-tier product alignment (Staples to Premium Wellness)	Region-specific SKU customization	-
VALS Precision	Urban wellness targeting (Achievers, Experiencers)	Rural loyalty (Believers, Makers)	Limited micro-targeted messaging
RFM Application	SKU customization based on category-level frequency trends	Implicit loyalty tracking via product purchase cycles	Absence of actual CRM or loyalty programs

This matrix illustrates the strategic effectiveness of TCPL's segmentation execution across STP, VALS, and RFM models. High-impact areas include product tiering, psychographic targeting of wellness seekers, and SKU-level customization. Opportunities remain in CRM-driven loyalty and micro-targeted messaging. Data synthesized from EY India (2023), Bain & Company (2022), and Strategic Business Insights (2023).

This consolidated view highlights how strategic segmentation is more than a tool—it's a foundational system shaping TCPL's market growth, customer loyalty, and product innovation.

Chapter 5: Findings, Strategic Recommendations, and Conclusion

The analysis so far has produced a series of validated insights based on income levels, geographic behavior, psychographics, and model-based segmentation frameworks. This final analytical chapter brings together those learnings, translating them into meaningful findings, recommendations tailored to TCPL's operational context, and broader implications for marketing strategy. Each section addresses a critical component of strategic decision-making—summarizing what the segmentation data reveals, how TCPL and similar brands can act on it, and why these findings contribute value to both academic understanding and real-world business practices.

5.1 Key Findings

The insights derived from this study underscore how segmentation strategy, when grounded in real datasets and validated frameworks, can drive strategic differentiation in the FMCG sector.

Below are the most critical takeaways from the analysis of TCPL's approach:

- **Income remains a primary determinant of product choice.** Households with monthly per capita expenditure (MPCE) above ₹15,000 consistently opt for wellness and convenience-led products such as Tata Soufull Millet Granola, while those below ₹5,000 show stronger loyalty to daily staples like Tata Salt and Tata Tea (Statista, 2023; HCES, 2023–24).
- **Geographic variation significantly impacts SKU design and channel strategy.** Millet products and functional foods show strong traction in Southern markets, while North India demonstrates a sustained preference for traditional black tea and iodized salt (Kantar, 2023; NielsenIQ, 2023).

- **Psychographic profiling enhances marketing precision.** Using VALS segmentation, TCPL has been able to align wellness-centric SKUs with urban “Achievers” and “Experiencers,” while mass-market essentials continue to resonate with “Believers” in Tier 2–3 towns (Strategic Business Insights, 2023; EY India, 2023).
- **Behavioral loyalty and RFM traits reveal product stickiness.** Repeat-purchase patterns for core categories like salt and tea validate TCPL’s CRM-led retention strategy, despite the absence of public-facing first-party behavioral data (Bain & Company, 2022).
- **The combined use of STP, VALS, and RFM provides multi-dimensional segmentation logic.** TCPL integrates demographic targeting, lifestyle differentiation, and purchase behavior to tailor communication, product format, and pricing across zones and income groups (Kotler & Keller, 2020; TCPL, 2024).
- **TCPL’s segmentation is operationally embedded, not theoretical.** Brand launches, SKU innovation, and regional campaigns suggest that segmentation drives day-to-day decisions—not just long-term positioning.

These insights highlight the need for FMCG players like TCPL to continuously realign offerings with real-world segment behaviors—beyond surface demographics—through layered targeting and data-informed agility.

5.2 Strategic Recommendations

Based on the validated findings and segmentation analysis, the following recommendations are proposed to enhance TCPL’s customer-centric strategies across diverse consumer profiles:

5.2.1 Strengthen Regional Customization

- **Action:** Develop region-specific SKU innovations to match preferences in North, South, East, and West India.

- **Justification:** Regional consumption trends (NielsenIQ, 2023) highlight clear differences in product choice and frequency.

5.2.2 Expand VALS-Based Communication

- **Action:** Tailor marketing messages to psychographic types using VALS profiles (e.g., wellness-driven content for "Achievers").
- **Justification:** VALS profiling enhances emotional resonance and brand alignment (Strategic Business Insights, 2023).

5.2.3 Integrate CRM-Enabled RFM Insights

- **Action:** Leverage digital purchase data to build personalized loyalty campaigns and retention strategies.
- **Justification:** RFM helps maximize customer lifetime value and segment-specific offers (Bain & Company, 2022).

5.2.4 Innovate Within Premium and Health Segments

- **Action:** Expand the Soulfull and Tata Sampann range with millet, organic, and high-protein options.
- **Justification:** High-income groups and wellness-focused consumers show growing interest in functional foods (EY India, 2023).

5.2.5 Invest in Tiered Product Architecture

- **Action:** Align product packaging and pricing tiers to match distinct MPCE levels more granularly.
- **Justification:** Income-based segmentation supports inclusive market penetration (Statista, 2023).

These strategic initiatives will help TCPL further embed data-driven segmentation in its core business processes, offering higher personalization, greater market adaptability, and stronger customer loyalty.

5.3 Theoretical and Practical Implications

The application of segmentation models in this study reveals several important contributions to both marketing theory and real-world brand strategy. Using STP, VALS, and RFM models, the research evaluates how Tata Consumer Products Ltd. (TCPL) aligns its market decisions with structured frameworks rooted in academic literature.

Theoretical Contributions:

- **Model Integration:** The study reinforces the importance of combining multiple frameworks—STP, VALS, and RFM—for comprehensive segmentation, affirming Kotler & Keller's (2020) position on multi-dimensional market understanding.
- **Psychographic Depth:** By emphasizing VALS profiles, the study supports the growing academic consensus that consumer motivation and attitudes offer deeper predictive power than demographics alone (Strategic Business Insights, 2023).
- **Behavioral Insights in FMCG:** It validates the relevance of RFM analysis in high-frequency consumer goods, linking it with modern retention strategies as outlined in Bain & Company (2022).

Practical Contributions:

- **TCPL Brand Practice Alignment:** TCPL's real-world actions—like tiered pricing, region-specific launches, and product bundling—demonstrate how theoretical segmentation models translate into operational outcomes.
- **Model Utility for Market Strategy:** The frameworks offer usable blueprints for other FMCG firms aiming to refine their customer targeting and expand market share in similar emerging economies.
- **Data-Driven Implementation:** With the reliance on publicly available datasets, this study shows how actionable segmentation can be developed even without access to private CRM systems.

In summary, the study highlights that segmentation is not merely a theoretical construct but a practical necessity—particularly in India’s fragmented and fast-changing FMCG sector. The alignment of academic frameworks with brand decisions affirms the strategic relevance of marketing theory in real market environments.

5.4 Conclusion

The segmentation analysis of Tata Consumer Products Ltd. (TCPL) reveals how structured frameworks—STP, VALS, and RFM—can be effectively applied using real market datasets to generate actionable consumer insights. Across income groups, regional behaviors, psychographic traits, and loyalty indicators, segmentation emerges as a central pillar in TCPL’s marketing and portfolio decisions.

Key findings confirm that income-based segmentation supports TCPL’s tiered SKU strategy, regional segmentation influences brand messaging and channel strategy, and VALS-driven psychographics enhance precision in consumer engagement (Kotler & Keller, 2020; Strategic Business Insights, 2023; NielsenIQ, 2023). RFM-based behavioral segmentation, although limited by data access, provides critical direction for loyalty and retention initiatives (Bain & Company, 2022).

More importantly, the study confirms that TCPL does not treat segmentation as a top-down theory but as a live, operational process embedded in day-to-day product planning and strategic execution. Segmentation intelligence is reflected in everything from region-specific tea blends and millet-based breakfast solutions to differentiated marketing narratives for urban and semi-urban buyers (TCPL, 2024; EY India, 2023).

In conclusion, effective segmentation in India's dynamic FMCG sector demands an integrated, data-backed, and consumer-centric approach. TCPL's practices highlight how market responsiveness, when anchored in validated models and datasets, can enhance strategic agility, brand relevance, and sustainable growth across consumer clusters.

Chapter 6: Limitations and Future Scope

While this study has offered a comprehensive exploration of segmentation strategies within the Indian FMCG sector, every research endeavor operates within certain methodological and contextual boundaries. Recognizing these limitations not only strengthens the credibility of the research but also lays the groundwork for further academic inquiry and practical experimentation. This chapter highlights future research directions and outlines specific limitations encountered during the course of the study.

6.1 Future Scope

Given the evolving landscape of consumer behavior and digital marketing in India, the insights uncovered in this study can serve as a foundation for multiple extensions and enhancements. Future research may consider the following directions:

6.1.1 Primary Data Collection and Psychometric Profiling

Future studies could incorporate structured surveys, in-depth interviews, or focus groups to collect first-hand consumer data. This would enhance the reliability of psychographic and behavioral segmentation models, including more granular application of VALS and real-time RFM analytics (Strategic Business Insights, 2023).

6.1.2 Integration of Digital Behavior Metrics

With the rise of e-commerce, digital wallets, and app-based shopping, researchers could explore how browsing patterns, app usage frequency, and online purchase histories contribute to segmentation refinement—especially in younger urban cohorts (EY Future Consumer Index, 2023).

6.1.3 Comparative Brand-Level Segmentation Studies

Extending the framework to compare segmentation practices of multiple Indian FMCG players such as HUL, ITC, or Marico can generate richer benchmarking insights and uncover strategic differentiation in targeting, SKU innovation, and message personalization (KPMG India, 2023).

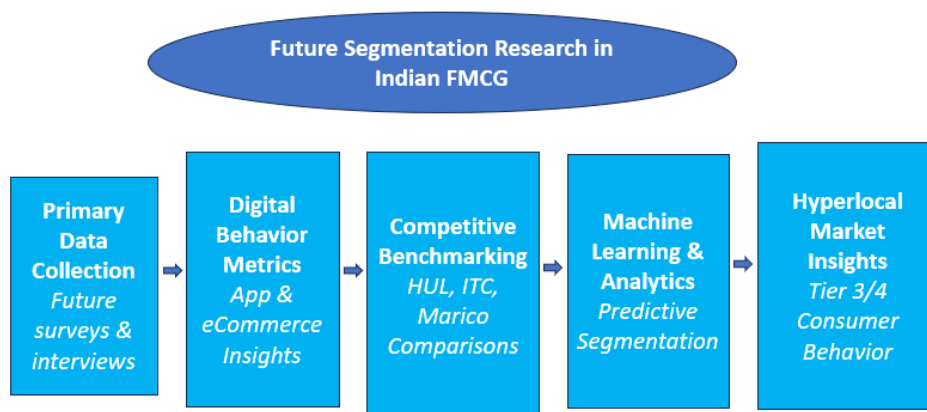
6.1.4 Use of Machine Learning and Predictive Analytics

Future segmentation analysis could leverage clustering algorithms, regression models, and predictive analytics to refine behavioral segmentation and forecast demand trends across tiers and geographies (Gupta & Goyal, 2020).

6.1.5 Hyperlocal and Tier 3–4 Market Insights

There is significant potential in exploring district-level segmentation and understanding micro-behavior in underserved geographies. This can guide FMCG firms in customizing logistics, pricing, and product design to hyperlocal demand.

Figure 15 Visual Map of Future Research Avenues in Indian FMCG Segmentation (2023).



This diagram outlines five proposed research directions derived from evolving consumer trends in India's FMCG sector. Source: EY Future Consumer Index (2023); KPMG India Outlook (2023); Strategic Business Insights (2023).

6.2 Research Limitations

While the study provides a structured evaluation using credible datasets and segmentation models, several constraints must be acknowledged that influence the interpretation and generalizability of the results.

6.2.1 Dependence on Secondary Data

This study exclusively utilized publicly available secondary data from NielsenIQ, Statista, HCES, EY India, and TCPL's annual reports. While these are credible sources, the absence of primary data (e.g., consumer surveys or interviews) may limit the granularity of psychographic and behavioral insights (Sharma & Kaushik, 2020).

6.2.2 Psychographic Inference Without Direct Survey

VALS-based segmentation was interpreted using category behavior and lifestyle studies rather than direct psychometric profiling. Similarly, the RFM framework was conceptually applied using indicative purchase behavior, not actual CRM datasets (Strategic Business Insights, 2023; Bain & Company, 2022).

6.2.3 Lack of Access to TCPL's Internal CRM Metrics

Internal segmentation practices, CRM scores, digital footprints, and real-time loyalty data from TCPL were not accessible due to privacy and corporate disclosure norms. This restricted deeper validation of segmentation model execution within the company (TCPL, 2024).

6.2.4 Limited Granular Regional Insights

While national and zonal insights were incorporated, district- or pin code-level segmentation was not feasible. This limited the scope for hyperlocal strategy formulation and community-specific behavioral segmentation.

6.2.5 Time-Bound Dataset Constraints

The datasets reviewed span from 2022 to early 2024. Given the rapid evolution of digital commerce, consumer preferences, and regional dynamics in India, the insights presented may shift beyond the study’s temporal window (NielsenIQ, 2023).

Table 17 Key Limitations and Mitigation Scope

Limitation	Explanation	Dataset Impacted	Mitigation Opportunity
Dependence on Secondary Data	No primary data (surveys/interviews) collected; insights limited to secondary sources.	All public datasets used (NielsenIQ, Statista, HCES, EY, TCPL Reports)	Conduct primary surveys, interviews, and consumer panels.
Psychographic Inference Without Direct Survey	VALS and RFM applied conceptually without direct psychometric or transactional data.	SBI VALS, Bain RFM Toolkit	Use direct consumer psychometric and loyalty datasets in future studies.
Lack of Access to TCPL’s Internal CRM Metrics	No access to internal CRM metrics, loyalty scores, or digital footprints from TCPL.	Internal TCPL CRM and digital behavior data	Collaborate with TCPL for controlled access to proprietary CRM insights.
Limited Granular Regional Insights	No district or hyperlocal data included; only national and zonal insights analyzed.	HCES, Kantar, NielsenIQ zone-level data	Expand to hyperlocal datasets (district, pin code) if available.
Time-Bound Dataset Constraints	Data reviewed limited to 2022–2024, not reflecting post-2024 market changes.	All datasets time-bounded to 2022–2024	Update analysis with new data beyond 2024 to validate emerging patterns.

Table 17 presents a consolidated overview of the key methodological limitations identified in this study along with their practical implications and potential mitigation strategies. This summary builds on observations from KPMG (2023), Bain & Company (2022), and NielsenIQ (2023), helping to contextualize the scope boundaries and provide structured direction for future segmentation research and practice.

Despite these constraints, the methodological choices align with the study’s objective of providing a multi-layered, model-informed view of segmentation. Future researchers and

business analysts can use this as a stepping stone to explore segmentation through enriched datasets and comparative brand analysis frameworks.

References

- Bain & Company. (2022). CRM excellence toolkit: Maximizing customer value through RFM and loyalty strategies. <https://www.bain.com/insights/>
- Bain & Company. (2022). Winning the loyalty game: RFM and behavioral segmentation in FMCG. <https://www.bain.com/insights/>
- EY India. (2023). Future consumer index India: Changing purchase drivers in the post-pandemic market. https://www.ey.com/en_in
- Gupta, S., & Goyal, R. (2020). Consumer segmentation practices in India's retail FMCG sector. *International Journal of Marketing Research*, 62(4), 433–450. <https://doi.org/10.1177/1470785320944567>
- Kantar. (2023). India FMCG regional insights panel 2023. Kantar Group. <https://www.kantar.com/inspiration/fmcg>
- KPMG India. (2023). Retail and consumer outlook 2023: Emerging patterns and growth drivers. <https://home.kpmg/in/en/home/insights.html>
- Kotler, P., & Keller, K. L. (2020). *Marketing management* (15th ed.). Pearson Education.
- Ministry of Statistics and Programme Implementation. (2023). Household consumption and expenditure survey 2023–24. Government of India. <https://mospi.gov.in>
- NielsenIQ. (2023). India FMCG consumption trends report 2023. NielsenIQ India. <https://nielseniq.com/global/en/insights/analysis/>
- Sharma, P., & Kaushik, S. (2020). Psychographic segmentation and consumer motivation in Indian FMCG. *Journal of Consumer Behaviour*, 19(3), 265–278. <https://doi.org/10.1002/cb.1807>
- Statista. (2023). India FMCG market value and consumer spending 2023. Statista Research Department. <https://www.statista.com/statistics/1037092/india-fmcg-market-size/>
- Strategic Business Insights. (2023). VALS consumer profiles. <https://www.strategicbusinessinsights.com/vals/ustypes.shtml>
- Tata Consumer Products Limited. (2022–2024). Annual reports and investor presentations. <https://www.tataconsumer.com/investors/annual-reports>