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Evolution from taste centric to health focused: Journey of FMCG food products in India

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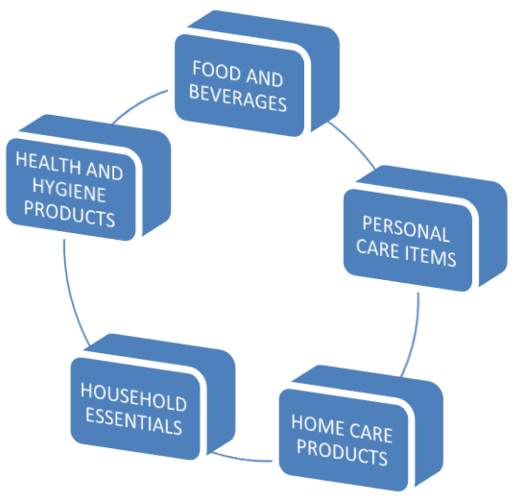
Abstract
Fast Moving Consumer Goods were introduced in India after the spanning of industrial revolution all over the world. Soon the country became a popular destination to introduce these FMCG products because of its large consumer base. Focusing mainly on food sector, where FMCG products were first introduced as mere glucose biscuits in 1939 by Parle Products, today it accounts for approx. 19% of FMCG goods in India, and its contribution in Indian Food Processing Market was US $ 354.5 billion in FY 2024 and will become US $535 billion by the end of FY 2026 according to India Brand Equity Foundation.
Present dynamics have altered both the composition and formulation of FMCG food products as well as their marketing strategy from "taste centric to health oriented" driven by market demands and consumer priorities. The research paper provides insight into the journey of FMCG food products which have totally altered their composition on the basis of consumer demand; it further examines the health challenges being addressed by contemporary FMCG food products through private research and government based agencies for a healthier and sustainable future.

Introduction
Fast Moving Consumer Goods were incepted in Indian markets with the advent of industrial revolutions all around the world. Large population scenario attracted many companies to lay down their products in Indian markets, although the purchasing power of most of the population was negligible but a large consumer base attracted companies to manufacture cost efficient products. Fast Moving Consumer Goods are essential commodities that are mostly used in day to day purpose, such as toiletries, snacks, various OTC medicines etc and because of their high consumption rates, they are mostly demand oriented. These goods are found in mostly all the households despite age or income distinctions, ameliorating the necessity of markets. The Fast Moving Consumer Goods sector can be divided into 5 broad spectrums as:



Above diagrams shows various spectrums of FMCG industry

Focusing the Food and Beverages sector under the broad spectrum of FMCG industry, which constitutes around 19% of FMCG market of India and around 32% of total food market in country (IBEF, 2026). Packaged food products or ready to eat food items basically come within this ambit such as:

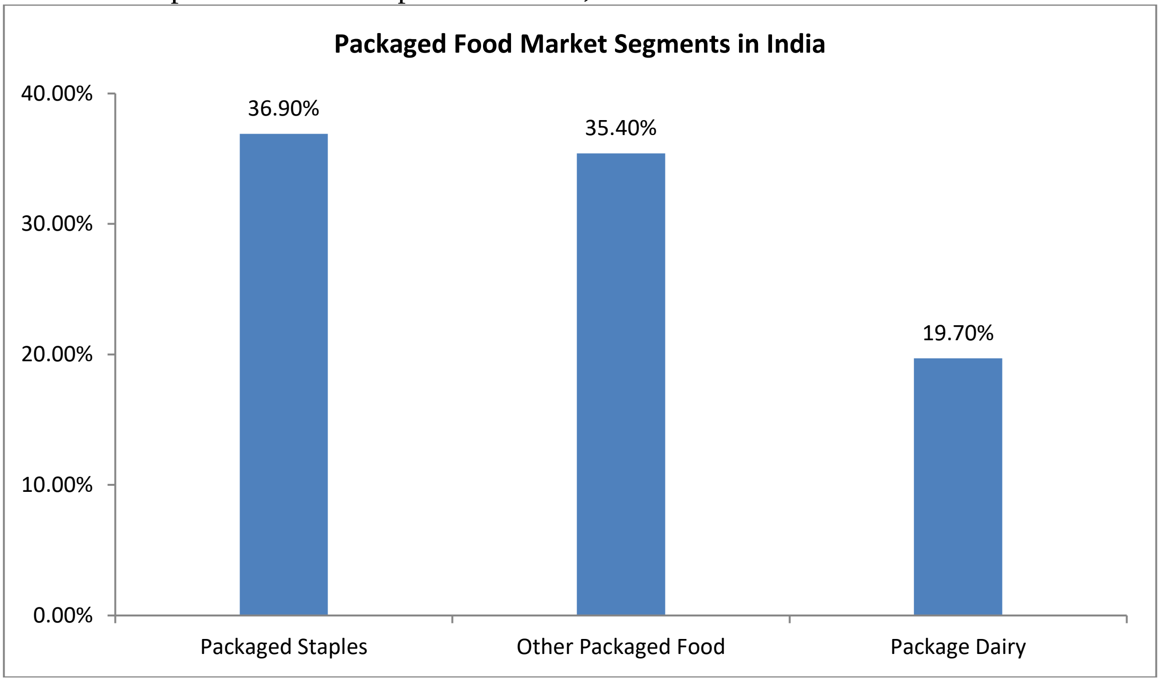
- **Snacks**- Chips, Wafers, Namkeens, Chocolates, Cookies, Energy Bars etc.
- **Beverages**- Various non-alcoholic drinks that provide energy and refreshment such as Fruit juices, Cold drinks, Lemon soda etc.
- **Ready to Eat Meals**
- **Canned and Packaged Foods**- Mixtures, Instant noodles, Pasta, Tea, Sugar etc.
- **Dairy Products**- Packaged milk, Yoghurt, Butter milk, Cottage cheese, Milk ice creams etc.

These products can be found at every Indian household in one way or the other. FMCG penetration has been evident in 62% urban households and 38% rural households (KPMG, 2026) with increasing market capitalization.

FMCG food products consumption statistics

Hindustan Unilever was the initiator of FMCG products in India as well as it has the largest share of FMCG goods in Indian markets. The company sells diverse range of products from Tea brands such as Lipton and Brook bond to various other consumable items. ITC ltd which is famous for its Ashirwaad atta and Sunfeast biscuits is another such food and beverage manufacturing company. Nestle, Parle, Patanjali etc have their retrospective market shares that have unanimously elevated the share of packaged food items in country.

Their consumption statistics as per Orklaindia, can be estimated as:



Source: Secondary research, Companies annual report, Technopak analysis

- Packaged Staples: Edible Oils, Flour, Rice, Wheat and Wheat derivatives, Pulses, Sugar, and Spices etc.
- Other Packaged Food: Bakery and Breads, Confectionary, dressings and sausage, Pasta, Noodles and other convenience Food Products.
- Packaged Dairy: Milk, Curd, Yoghurt, Paneer etc

The chart above shows The Packaged Food Market Segment of India for the year 2024 showing consumption trends of packaged food items.

Expanding packaged food markets

Increasing population, accelerating urban growth and equality of employment opportunities for men and women is becoming prevalent among Indian societies, which is leveraging people towards packaged food items due to lack of time and energy. Their purchasing power parity as well as numerous options in markets is another reason of fast paced development of FMCG food markets. Another miniscule reason can be easier availability and fine quality packaged products in comparison to miscellaneous or retail articles that are bought through local vendors are more susceptive to adulteration and inferior quality.

Health driven youth demographics

India, being the most populous country around the globe also carries the tag of bearing the largest youth populations that is 27% of population is within the ambit of 15-29 years of age which is the most productive age population. These younger generations are more leveraged towards gym and protein based diets and discontinuing with traditional oil based Indian culinary culture. They are more vigilant towards the calorie intake in products they consume, cutting off on sugar, high carbs is a trend within them and these youth pursue fitness over just being an average Indian adult suffering from cardiovascular and weight related issues. Hence looking after the changing statistics, FMCG food manufacturers also switched from palm oil-sugar based products to baked, zero sugar and high protein dietary products perceiving market demands.

Literature Review

The Indian FMCG sector has gone under a revolutionary transformation by switching from trans fats to protein oriented, zero sugar, no oil substitutes. This vast change mainly occurred due to wellness and fitness goals among the younger generations who prefer mental peace over pacifism. Hence products that were acknowledged to satiate hunger a generation ago are discarded as whole as made of refined flour or unhealthy for the gut.

A recurring theme in the food-marketing literature is the "unhealthy = tasty" intuition — the implicit consumer belief that healthiness and palatability are inversely related. Foundational work by Raghunathan, Naylor, and Hoyer demonstrated across multiple experiments that when consumers are told a food item is less healthy, they tend to infer it will taste better, enjoy it more upon consumption, and prefer it more strongly in choice situations, particularly when a pleasure-seeking motive is prominent.

Evolutionary explanations suggest this bias is rooted in the historical survival value of energy dense, sugar- and fat-rich foods, while socialization theories point to childhood experiences in which "treats" are withheld as unhealthy and therefore acquire a scarcity driven appeal. For decades, taste (and price) were the primary battlegrounds for food brands, while "health" was a secondary, often niche, positioning.

Shift drivers towards Health focused Consumption

- Rising Health Consciousness and Lifestyle Disease Burden

Market analyses converge on lifestyle-disease prevalence as a central driver. Long sitting hours job are prevalent among the youth hence weight gain is becoming an enlarged factor. Industry data indicate that roughly one in five people in India suffers from at least one chronic disease such as a respiratory, metabolic, or cardiovascular condition, a burden that has directly fuelled promotion and demand for functional and fortified foods. Market reports similarly attribute growth in the health and- wellness food category to the increasing prevalence of chronic lifestyle diseases such as diabetes, obesity, and cardiovascular conditions

- Functional, Fortified, and “Better-for-You” Categories

Government-mandated fortification programs and product innovation have accelerated category growth. Reports note that the shift in consumer preference toward food chosen not only for taste but for its capacity to support well-being and health has driven increased consumption of functional food products.

Everyday staples have not been exempt: functional biscuits, breakfast cereals, and breads enriched with fibre, vitamins, and minerals have become notably popular among urban consumers seeking convenient yet nutritious options, while probiotic yogurts, fortified milk, and functional cheeses address rising consumer demand for digestive health and bone strength within India’s traditionally high-dairy-consumption culture.

- Role played by Demographic Dividend

Younger consumer cohorts and digital platforms are frequently cited as accelerants. One market outlook observes that demand for plant-based foods, protein supplements, and fortified products is rising rapidly, especially among millennials and Gen Z, with the growing popularity of yoga, wellness apps, and fitness platforms amplifying adoption of health-focused dietary habits. The rise of direct-to-consumer brands has also mattered: India’s digital revolution has enabled direct-to consumer health-food brands to reach wider audiences through subscription models, personalized nutrition, and health kits.

- Governments push for sustainable diets

Policy interventions have reinforced consumer-side demand. Reports note that FSSAI regulations on food labeling, trans-fat bans and the “Eat Right India” campaign have fuelled demand for clean-label and fortified food products, complementing broader industry engagement government agencies, NGOs, and companies have jointly run awareness campaigns that have intensified consumer understanding of the nutritional advantages of functional foods.

- The trends of Organic, no Pesticide and Vegan food

Beyond fortification, consumers are gravitating toward “free-from” and natural positioning. One report finds rising demand for clean-label products reflects consumer desire for transparency in sourcing and ingredients, free from artificial additives and preservatives, prompting manufacturers to reformulate products accordingly, while plant-based eating is also gaining share, driven by health considerations and environmental concerns pushing consumers toward diets richer in fruits, vegetables, legumes, and whole grains. Premiumization is a related pattern, with wealthier and urban households showing willingness to pay higher prices for functional-food and personal-care products that deliver perceived health advantages.

Objectives

1. To know the reasons behind composition switch of FMCG food products.
2. Realizing how these products are assisting for health goals.
3. How government agencies are utilizing FMCG products to manage public health challenges.

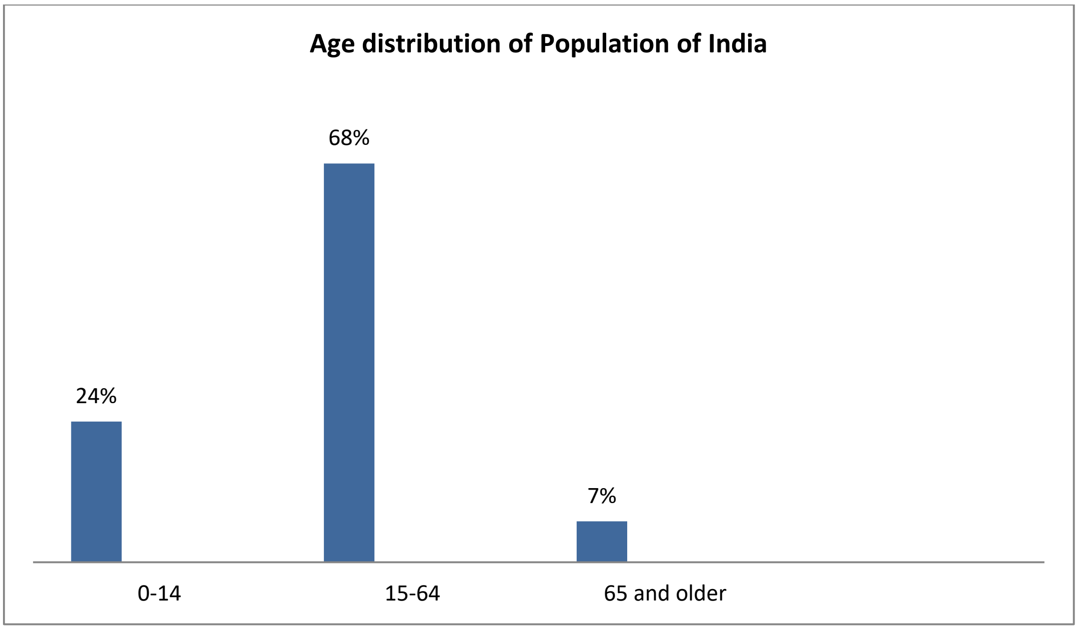
Research Methodology

- The present study is descriptive in nature.
- The study is based upon secondary data.

Findings

- **Consumer Demands**

As major portion of Indian population comes within the ambit of working population or 15-64 years of age hence focus was deliberated towards their demands. According to Indiawest.com, 68% of country's population is within the criteria of working age population and out of which 34% are youth that is 15-29 years of age bracket hence the pattern of manufacturing has been changed according to their demands.



Source: Indiawest.com

Moreover, FMCG markets are mostly based in urban India, as the rural markets still run on retail and local vendors. Availability of multiple shopping complexes and various e commerce platforms has made product access more easier in urban areas hence consumption of FMCG food and beverage products are faster in cities than in towns. Most of the urban youth (male and female) are indulged in corporate jobs. Long working hours and the habit of munching and snacking to retain concentration is common among youngsters. But this profound habit has also lead to disease burden specially cardiovascular diseases and weight gain among youth. Covid 19 pandemic led people to work from home making them vulnerable to sedentary life style disease hence a paradigm shift towards adopting healthier lifestyle has emerged since then. Working and non working both kind of people are going gym, shifted to a protein based diet with no or minimal carbohydrate intake. Preferring baked items over oil cooked paved way for air fryers; highly processed calorie dense chips are being replaced by quinoa chips, healthy makhana, gult free snacks. Yoga bars and multigrain chocolates are slowly replacing milk and cocoa chocolate cravings. The demand for gluten free-low glycemic index food has raised the manufacturing of ready to eat millet snacks. A recent report by economic times explores the fact that protein demand in India has caused the crises of whey protein in the country, altogether it can be corroborated that new generations eating pattern has changed market statistics for certain products changing their dynamics for a healthier version.

- **Brand Building and Promotion**

  The promotion market nowadays has been captured by Instagram celebrities who have millions of followers and sound rather realistic than television advertisements which engulfed the society in late 20 and early 21st century in India. People in today's era are more inspired by a gym trainer who exaggerates about some protein powder rather than film stars with manipulated picture of their bodies. An instagram celebrity with a few thousand followers, feeding her baby some sort of snacks is obliged more than a film star doing the same because in instagram they can directly clear doubt and pacify queries, but an advertisement through mass media remains untouched by common people . Credibility has been changed since the rise of digital media, people nowadays rely more upon the written composition of the product rather than simply trusting their movie stars advertisement on television. Technological impact such as asking Gemini, chat GPT about some product is now common among youngsters, they conduct thorough research before making choices and avoid misleading claims of false advertisements. Organic and Vegan companies are casting their shadows in a more vigilant form and are being liked by the consumers. Quick search and information platforms have made the process smooth for consumers and on the other hand branding and promotion is becoming tough for manufacturers hence advent of better products is rolling out in the markets.

- **Challenges and Brand Positioning**

  The chaos of high level of Monosodium Glutamate found in Maggi Noodles in the year 2015 acknowledged the manufacturers as well as consumers to move towards healthier and sustainable options. Atta noodles launched by Patanjali ayurveda switched whole flour based noodle market towards wheat based options and since then various brands have launched wheat based instant noodles, pasta, macaroni including Maggi atta noodles with a standardized MSG levels. But the challenge still remains once a brands image has been tarnished, same happened to MDH and Everest spices as carcinogenic contents were found in their composition. High sugar content in baby food of Nestle's Ceralac has compelled younger parents to move towards more reliable and healthier options.

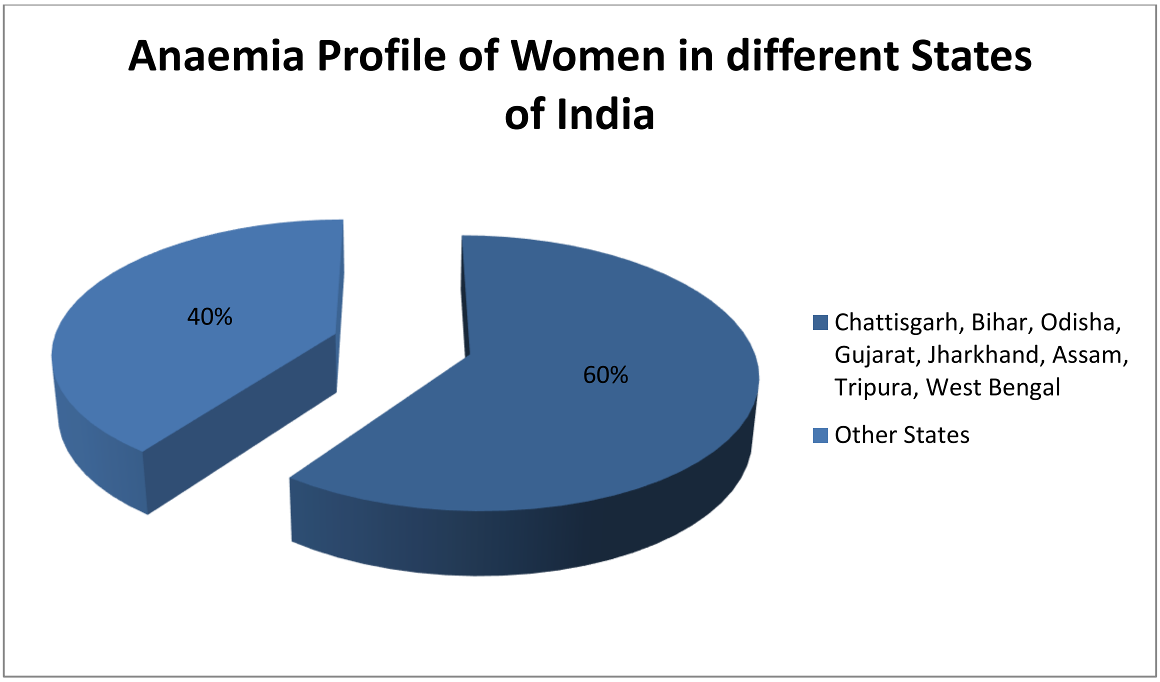
- **Governmental efforts and Private Participation**

  The International Year of Millets, proclaimed by United Nations General Assembly in the year 2023, proposed by India and asserted by 70 more countries was one of its other efforts by the Government of India to reinvigorate millet based diet among Indians, to recalibrate the old culinary habits and traditions of including millets in lunch or dinners. The millet movement became a revolutionary change to switch over dietary practices. The Production Linked Incentive scheme (PLI) for Food Processing Industry launched in budget 2021-22 with a budget of 10,900 crore for five years has supported the origin of new FMCG companies that are totally based on healthy and sustainable food manufacturing. But the bigger role was played by several food and beverage manufacturing companies who changed the composition of various products from whole flour to millet based that is healthy snacking became a trend mostly for youngsters. For example, Millet Poha,, Vermicelli, Bread, has taken over the breakfast tables nowadays. For day long munching and snacking products such as Millet Munch, Jowar Puffs, Ragi cookies, Bajra chikki, Millet Namkeen etc are the trending versions replacing potato chips and rice husk munchies. According to imarc, healthy snacks market in India has reached up USD 3.13 billion in 2025 and is projected to reach **USD 4.77 Billion** by 2034. Accordingly, it can be established that FMCG food and beverage product composition is steadily trending towards healthier formulations as incised by the given statistics from various agencies.

- **Case study**

  A present study conducted by National Academy of Medical (NAMS) has correlated that vitamin B12 and Folic acid fortified Tea can help reduce the cases of Neural Tube Defects among Indians. According to Sharma et al, 300 babies are born daily with Neural Tube Disease in India and approximately 1,00,000 babies suffer from the disease every year. Mostly neural Tube Disease is caused due to insufficiency of vitamin B12 and Folic Acid among pregnant Indian women, According to Sharma et al, these two vitamins work in tandem in metabolic pathways critical for deoxyribonucleic acid (DNA) synthesis and proliferation of cells. Consequently, deficiency of either vitamin can result in megaloblastic anemia, but vitamin B12 deficiency can independently lead to severe dysfunction of the central and peripheral nervous systems at any stage of life hence making the women prone to become career for neural Tube Disease in child. According to UNICEF India, 25 million children are born every year in India, out of which 1 lac suffer Neural Tube Disease that is out of the total children that are born every year in the country, 2.5% suffer from Neural Tube Disease which is a matter of concern for a country having world's largest population and out of which 24% are within the ambit of 0-14 years of age.

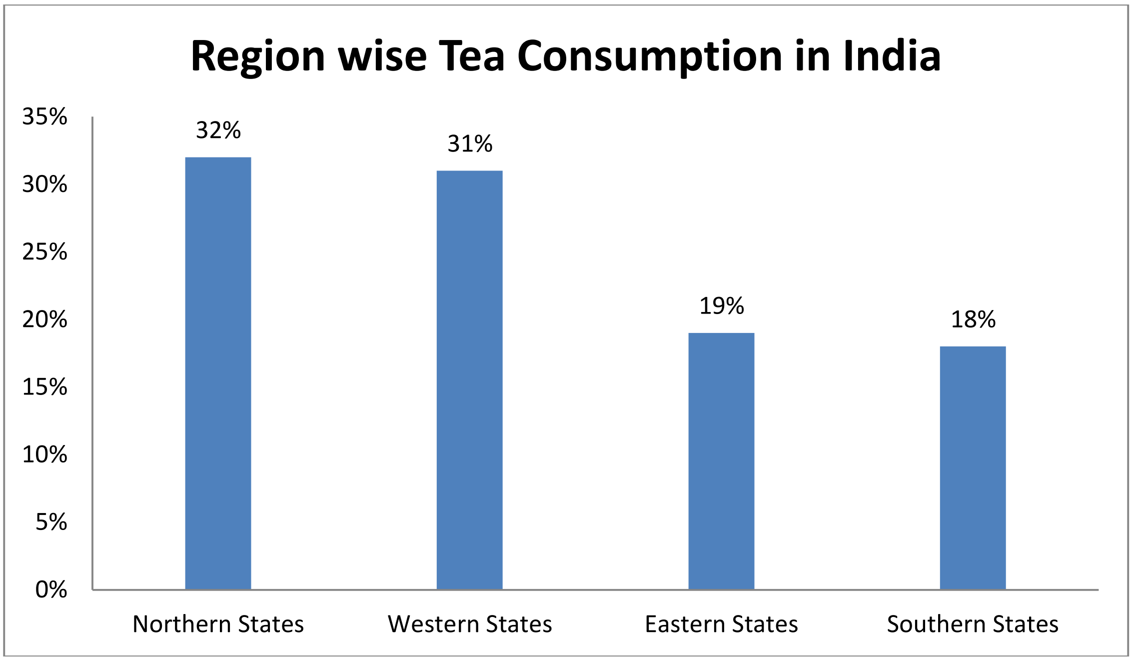
  According to National Family Health Survey 5, anaemic women in India constitute around 57% of total female population and 25% male population suffers from anaemia. While 59.1% adolescent girls suffer from iron and folic acid deficiency. Northern Indian states are more prone to anaemia in comparison to South India.



Source: National Family Health Survey (NFHS) 5

The above chart shows gullible status of women in mostly North Indian and Eastern states as they have a large amount of Vitamin B12 and Folic Acid deficiency. Several factors such as illiteracy, poverty, inequality, gender discrimination, malnutrition and detrimental health conditions can be adjudged for the widespread deficiency. But a grave consequence such as Neural Tube Disease cannot be ignored as it is affecting the upcoming generations of country. The disease impacts the brain and spinal cord, it happens because of the neural tube which is responsible to develop central nervous system is unable to close its tube during early embryonic stages of foetal development. This may cause severe anomalies in the foetus such as missing brain tissue, nerve damage, defect in skull etc. Moreover this disease burden carries on with the children, their family as well as the governments. Anaemia Mukt Bharat Campaign launched in 2018 is one such initiative by the Government of India to eradicate Vitamin B12 and Folic acid deficiency which causes anaemia among individuals.

A pioneer approach by various Indian Scientists that is the idea of fortifying Vitamin B 12 and Folic acid in tea is within consideration, being a FMCG product tea is largely accepted as a universal beverage in all parts of India despite physical and linguistic barriers among states. According to Tea Board of India, the country accounts for highest tea consumption around the world, around 88% of Indian households consume tea. Out of which North Indian states are the front runners followed by Western states and then Southern Indian states. Table below shows the consumption pattern of tea regionally.



Source: Tea Board of India

Hence it can be accorded from above statistics that the Northern States are the largest tea consumers of India, the NFHS 5 clarifies the vulnerability of Northern states women to anaemia, various statistics also suggest that states such as Bihar, Jharkhand, Assam, West Bengal are the frontrunners in Multidimensional Poverty Index of NITI AYOG as well as they are one of the most populous states of India that is Bihar and West Bengal (Census of India, 2011). Hence it can be asserted that Tea which is one of the FMCG food and beverage product as it is being considered for Vitamin B12 and Folic acid fortification to diminish the cases of Neural Tube Disease among infants, has become one of the other most powerful weapons of Government agencies to reduce disease burden from the country.

Conclusion

The above study helped understanding the changing dietary patterns of people in new age which has impacted the composition, constituents and manufacturing of Fast Manufacturing Consumer Goods food products that were once introduced in Indian markets as taste bud satiety agents but had no nutritional value. Over the years, FMCG food products have refocused on health and nutrition while contributing to government efforts to improve health conditions in India.

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