

Effect And Role of Advertisement on FMCG Products in India

Asmit Sengar

School of Business, Galgotias University

Introduction

To completely comprehend how advertising affects customers who purchase FMCG (Fast-Moving Consumer Goods), as well as the elements that affect the consumer's behaviour, this research is being conducted. 213 respondents in all, many of whom are members of Gen Z, were polled for this study; the bulk of them were citizens of Bhopal, Madhya Pradesh, India. This study will give marketing firms information on how consumers make purchases, enabling them to effectively position their goods on the platforms that will have the biggest impact on their target market. Existing literature has addressed the impact of advertising on a company's overall growth. The Fast Moving Consumer Goods (FMCG) sector in the Indian context is only briefly discussed in the current literature, though. According to the Lipstick Index business model, the FMCG industry is considered to be a recession-proof sector that may help revive the Indian economy in the wake of the current dire circumstances. The study examines the impact of advertising on the overall sales of FMCG products using Nestle as a case study because it has one of the greatest market shares in India.

The FMCG Industry in India:

The Indian economy is mostly supported by the Fast Moving Consumer Goods (FMCG) sector. Around 3 million people, or about 5% of total plant employment in India, are employed by this country's fourth largest economic sector. Regardless of social class, income level, age accumulation, and other factors, these items are daily consumed by all social strata. Due to low entry barriers, established distribution networks, cheap labour costs, reduced per capita consumption, a large consumer base, and the bulk of items being produced using simple manufacturing processes, the FMCG industry is becoming more and more lucrative. Due to the existence of local, international, and unorganised businesses, the sector is extremely competitive. Players with association ties who offer unbranded, unpackaged goods control a sizable percentage of the market. More than half of FMCG businesses' total earnings come from goods costing less than Rs 101. This has caused constrained brands to proliferate, giving themselves in free form in neighbourhoods and in the parts of the country where brand awareness is minimal. Domestic businesses have posed a serious threat to multinational corporations during the past ten years; in fact, they have outperformed many MNCs in terms of market share and development. 2005 - 2014 the profit of domestic enterprises rose by 24% against 14% expansion of global corporations. The Indian FMCG sector has an absolute market size in excess of US\$ 13.1 billion, making it the fourth largest economic sector. It has a strong MNC presence and is distinguished by an established distribution network, a remarkable challenge between the organised and unorganised segments, and cheap operational costs. India has a competitive edge because to the availability of essential raw resources, lower labour costs, and presence along the whole value chain.



Review of literature

For a company's brand of good or services, advertisements are used to build an image and/or symbolic appeal. Ads that elicit an emotional response from viewers are more effective when they use a variety of appeals. Marketers frequently hold the view that a brand's use will be immediately stimulated by a good emotional message while a negative emotional message will accomplish the same goal indirectly. How much of a negative emotional message drives consumers to purchase a brand is frequently debated. One of the economies with the quickest growth rates, Nigeria has a sizable young population. With the increase in consumption that comes with buying power parity, marketers are looking for ways to profit from it. Several international brands have recently been battling and campaigning to enter the Indian market. As more brands are added daily, consumers struggle to decide what to buy. Customer loyalty is declining, making it essential for brands to differentiate themselves from the competition every time they want to draw in customers in this cutthroat market. The onus is on advertising since they are fully aware that they can't compete as much on costs and products as they can on consumer emotions. A consumer is someone who uses a product's goods and services. The goal of marketing is to fulfil the requirements and desires of the target audience. Customers are put front and centre in organisation activities according to the current marketing approach. The goal of marketing concepts is to attract the most consumers possible, which launches an analysis of each target market scenario.

The topic's focus is on the influence of television advertising on women's purchasing decisions, particularly with regard to FMCG items. Due to its capacity to integrate visual and audible communication, television advertising is a particularly successful instrument for reaching its target audience. As a result, it serves as an essential medium for spreading awareness of various products. There are several things that women customers utilise in that they choose FMCG items after learning more about those particular items.

OBJECTIVES

- To investigate the marketing of FMCG products; To evaluate customers' purchase patterns with regard to a sample of FMCG items;
- To investigate the marketing of FMCG products through advertisements
- Benefits and challenges of advertisement on fmcg;
- To study the advertising strategy of FMCG products.
- To investigate the marketing of FMCG products

Key FMCG marketing strategy

#1: Build a strong brand positioning (product):

Online grocery sales increased by 103% in 2020 over the previous year, and by 2025, they are expected to represent 10% of the industry as a whole. Since that consumers place a premium on accessibility and convenience, supermarkets must utilise FMCG marketing methods and the omnichannel strategy to boost their YOY income.

A brand's purpose is how a firm communicates with its target market about what matters to them. According to a research, 63% of customers prefer to use their money to purchase goods and services from businesses whose mission aligns with their own. A business should allow its brand purpose to change with the times while still taking a stance that makes it apparent to consumers that it shares their values.

Key FMCG marketing strategy

#2: Optimize your pricing by investing in private labels (price)

For the FMCG sector, developing a pricing strategy is crucial since it enables supermarkets and grocery shops to draw customers with low prices. As a result of rising inflation, 60% of customers are paying closer attention to the prices they pay for their goods, and over a quarter of them want to move to private labels in order to save money. A business may outperform the competition and win over customers when it invests in a private label and uses other smart pricing tactics.

Key FMCG marketing strategy

#3: Design an excellent online and in-store customer journey (place)

The customer journey is defined by the steps a customer takes to make a purchase, whether it be in-person or online. The customer journey may be improved by changing the atmosphere, points of contact, and simplicity of transaction for customers.

Key FMCG marketing strategy

#4: Invest in omnichannel marketing activities (promotion)

Due to the omnichannel strategy being used by top FMCG retailers like Amazon, supermarkets are being urged to combine their in-store operations with their online presence. As the e-commerce industry expands in an effort to keep up with customers' increased desire for contactless purchasing, this might lead to an increase in YOY revenue.

FMCG Category and products

Category	Products
Household Care	Fabric wash (laundry soaps and synthetic detergents); household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish).
Food and Beverages	Health beverages; soft drinks; staples/cereals; bakery products (biscuits, bread, cakes); snack food; chocolates; ice cream; tea; coffee; soft drinks; processed fruits, vegetables; dairy products; bottled water; branded flour; branded rice; branded sugar; juices etc.
Personal Care	Oral care, hair care, skin care, personal wash (soaps); cosmetics and toiletries; deodorants; perfumes; feminine hygiene; paper products.

Digital Adoption of FMCG Industry In Advertising And Marketing:

Along with luring customers to the last step of the purchasing process, digital advertising and marketing trends in FMCG are really enabling marketers to build relationships with customers, which was previously impossible. Every business, including the FMCG sector, is seeing a transformation in marketing because to digital technology. The customer behaviour has changed as a result of social withdrawal and stay-at-home policies, which has prompted the sector to provide a variety of platforms via marketplaces, apps, and direct-to-consumer brands. FMCG firms also changed their attention from their conventional channels like television, newspaper, and billboards to these newer platforms as internet data penetration has grown and consumers spend more time on laptops and mobile phones. Even the most recent analysis from Google and Bain & Co. indicated that internet marketing will have a significant impact on the sales of beauty and hygiene goods, accounting for USD 11 billion, or 2/3 of total sales.

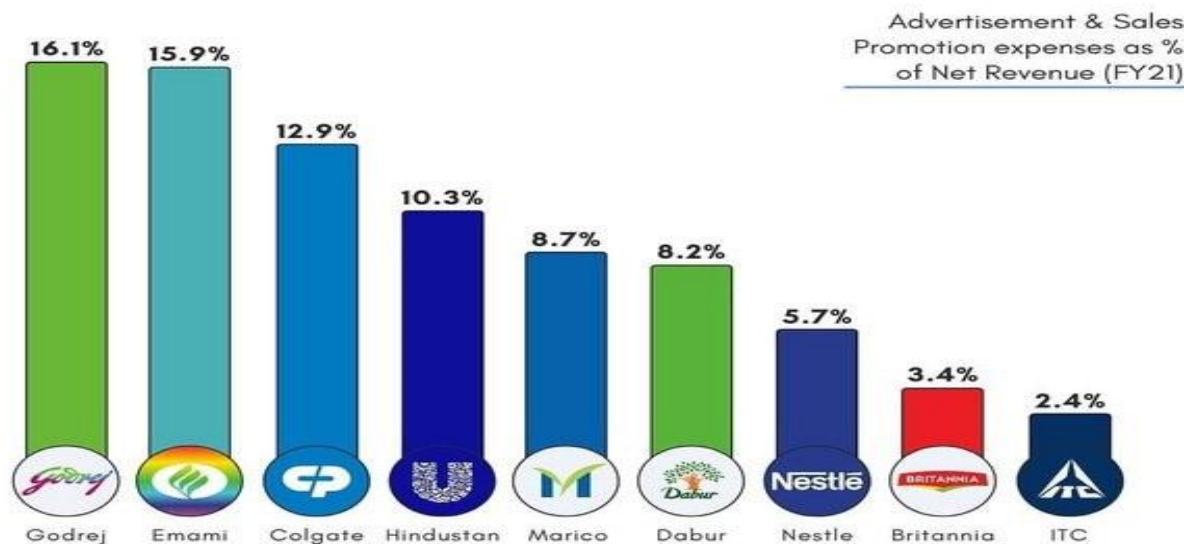
Incorporating 4Ps for digital marketing:

Implementing the four Ps (Product, Pricing, Place, and Promotion) doesn't imply reintroducing the tried-and-true marketing strategy, which is what marketers swear by. Instead, it entails changing the marketing mix for FMCG items to modernise them. In addition to luring customers to the point of purchase, digital advertising and marketing trends in FMCG are really enabling marketers to build relationships with customers, which was not feasible in the past. It necessitated that the marketers develop a comprehensive and interesting FMCG digital strategy.

Role of Advertisement Expenses on Fmcg Sector:

FMCG COMPANIES

ADVERTISEMENT AS % OF SALES



Advantages of Digital adoption of FMCG industry:

A brand may get a variety of benefits by incorporating a solid digital marketing strategy into its entire marketing mix, including:

1. It separates your brand into its own entity.

The FMCG industry offers a wide selection of alternatives for consumers to choose from because to the abundance of identical items from different companies. Yet, having a planned digital marketing and advertising platform in place allows the business to establish a unique identity. This shapes the consumer's perception of the brand and eventually affects how they choose to make a purchase.

2.It enables you to learn more about your customers and boost ROI.

The finest element of internet marketing and advertising is that you can track every aspect of your marketing initiatives. Traditional marketing did not have this element. The results of these campaigns are difficult to gauge because FMCG businesses invest significant sums of money on hoardings, TV

commercials, print advertisements, radio advertisements, and more. We are only able to provide a rough estimate, which prevents us from reaching a firm judgement.

Yet, digital marketing and advertising make it possible to track and evaluate each aspect of the campaign. With the use of analytical tools, we may obtain data on the quantity of impressions, clicks, conversions, and more.

3.It offers a fresh method of promoting your business.

Consumers are visual beings, therefore brands shouldn't ignore this reality. The more appealing your packaging and message, the more likely it is that customers will notice your brand. So, the way that products are displayed has a big impact on how buyers decide what to buy. Similar to how a corporation may approach a digital shelf for display, so can digital marketing. It's one of the most efficient for virtual display and reasonably priced when used properly. Digital marketing gives you the same contextual product positioning options as physical shelves. Brands may show their items while customers search through related categories using solutions like AdWords Smart Display.

Challenges for FMCG digital marketing strategies

- When it comes to their digital marketing initiatives, FMCG firms must overcome a number of particular obstacles. The need to compete with one another for shelf space and customers' attention is one of the largest.
- FMCGs frequently lack the benefit of a captive audience that other industries have, therefore they must be innovative in their digital marketing efforts.
- Another issue is that FMCG items are usually viewed as commodities, which leads to a lack of brand loyalty and frequent brand switching based on whatever is most affordable or convenient.
- And on a large scale, this can occur frequently without prior notice. A FMCG will frequently have a significant worldwide presence, thus while developing their digital marketing strategies, they must consider cultural variances. To "identify any needed adjustments to utilise our images or language," Nestle, for instance, pledged to analyse 25,000 goods and 2,000 brands from their portfolio in 2020. Without the firm aware that many consumers in Africa are illiterate and rely on photos to determine what is inside, Gerber's baby food labels in that region featured adorable images of newborns. Babies mixed together, that is.
- And lastly, because they must be sold rapidly and can't benefit from lengthy delivery periods, FMCG items frequently can't succeed in e-commerce.

Suggestions:

Advertising is something that consumers are quite aware of. Businesses should take action to keep it up. Customers like media because of its advantages. To educate customers about it, more media should be employed. Companies in are up against fierce competition in market. When communicating with customers, media strategists should use greater caution. The function of media strategists in advertising is significant. For their satisfaction, inspiration, and retention in their existing position, the highest-level management should take care of them. The right media selection considerations should be prioritised more carefully by media planners. A wise choice of medium would produce outcomes that are satisfying.

It is no longer sufficient for businesses to merely research and hunt for innovative internet marketing strategies; instead, they must put these strategies into practise and set the pace for innovation. We'll talk about methods, techniques, and effective FMCG digital marketing tactics in this blog article.

FMCG companies may engage with customers online and provide information about their products in real-time by being active on social media. Social media should be one of the most effective elements of an FMCG digital marketing strategy, among its many other elements. Social media is used by FMCG firms to promote their brands and create communities around them. It should also go without saying that social media may have a significant influence on sales since firms that are active there can more easily generate fruitful outcomes.

Conclusion:

Studying consumer behaviour and decision-making is crucial, particularly in the FMCG industry. The affluent and semi-urban Indian consumer is becoming more aware of the benefits of packaged food, personal care, and beverage items, hence the crowded FMCG sector is expected to increase its advertising expenditures. More money is being spent on R&D by Dabur India Ltd, which is actually assisting them in coming up with more innovative ideas. notably in the FMCG sector, where new brands are launching on a daily basis. Without advertising, maybe no one can keep their consumers. Without spending money on research and development, a new brand cannot be introduced, yet without advertising, no new launch is commercially viable.

Impact of ads on consumer purchases of particular FMCG items was the finding of the current study. Advertising today is essential for reaching target audiences with an impactful message and has the capacity to reach consumers with the greatest visual and auditory communication. Advertising is one of the crucial factors that must be taken into account in company. The success of a product or service is determined by its advertising. Many platforms can be utilised for advertising.

Advertising drives sales by promoting a company's goods and services. Moreover, it develops brand identity and informs clients of updates to existing products and services. Advertising is becoming a crucial component. Advertising in the FMCG sector will be profitable for any firm because it is anticipated that this industry will increase significantly over the next several years.

Each firm depends on sales to survive. There would be no business if there were no sales. For this reason, having strong sales is crucial if a company wants to flourish. Any product may increase its sales with the aid of advertising. Because testimonial advertising has such a strong psychological impact on consumers and makes a lasting impression, it has the potential to be an effective strategy for marketing.

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