ABSTRACT

A STUDY ON THE ROLE OF ADVERTISEMENT IN MARKETING FMCG PRODUCTS IN WEST BENGAL

Advertising is one of the important factors which creates business and leads to wealth creation in the economy. In this study, the research explores the role of advertising in affecting the extent of bias in the media for the Companies. The burgeoning growth of interactive media, as communication vehicles has inspired a flurry of market research that attempts to measure the impact of advertising in the new media, utilizing traditional advertising measurement methods. Today we are living in a revolutionary world and within seconds, several bombardments of new inventions are happening around the globe, media technology being one of them. Media technology has changed our lives giving us the freedom to perform activities from the comfort of our homes. In marketing products/services, in creating brand preferences, this media is playing now an important role. All the Companies, more particularly FMCG Companies are spending huge money on this media on Advertisement. So, the basic objective of my study is to see how far it has its impact in marketing FMCG Products.

In my study I have analyzed the behavior of the consumers in respect to the demographic factors like Age, Income, Gender and Profession. The entire analysis has been done by analyzing the primary data and secondary data. The Primary data have been collected from the respondents of five important metropolitan
cities of West Bengal i.e Kolkata, Siliguri, Asansol, Durgapur and Howrah. The secondary data have been collected from the annual reports of four top most companies of Fast Moving Consumer Goods (FMCG) sector i.e of Hindustan Unilever Limited (HUL), Indian Tobacco Limited (ITC), Nestle India Limited and Britannia India Limited (BIL). This analysis has been done by covering the years 2003-2012 and using the methods like Pearson’s Correlation, ANOVA, R-Square and Percentage Analysis.

It is fact that Advertising expenses, Research and development plays a very important role in increasing the profit and net sales of the company. So the company should think more about innovation and research so that sales can increase. The study shows that the Companies are spending more on the Research and Development which is actually helping them in innovating more. However the ratios, Multiple Regression, Pie Chart and various records from the Annual Reports have helped us to come to a conclusion that the growth of sale in the Selected Companies is dependent more on Advertisement Expenses. In FMCG sector particularly where everyday newer and newer brands are coming in, no one perhaps will be able to retain the customers without Advertising. R & D expenses are necessary, otherwise new brand cannot be launched, but without Advertising no new launch can be economically viable.

The second phase of my research shows that the media used for advertisement has different effect on different consumers. It shows the income is the factor that plays an important role in consumer’s media selection. It is quite evident from the analysis that other demographic factors like age and gender are not the determining factors whereas the income level of the consumer matters. The chi-square between the traditional media and factor income is significant in major number of questions. This shows the buying
behaviour of FMCG through media is dependent on the consumer’s income level. We can see in case of the income factor that there is statistically significant difference in Media usage across different income group (p value <0.001 using Pearson’s Chi Square Test).

It has been also observed that lower income group of consumers show more preference towards the media “Newspaper”. Middle class consumers prefer all kinds of select media for buying Fast Moving Consumer Goods. Rich consumers, on the other hand, watch more Television, though they have preference to Hoarding and Radio also. For Male Consumers it has been seen that the best preferred Media is Newspaper though all kinds of traditional media are used by them. Female consumers appreciate other media and feel that Television brings negativity in the environment. From the response of four sections of age category it is observed that Media “Newspaper” is liked and appreciated by all the consumers though generally they use more the Radio in their home to have information about Fast Moving Consumer goods. In case of profession category it is observed that all consumers belonging to various professions like Radio and Hoarding as a media for buying Fast Moving Consumer goods. Businessmen and Housewives are of the opinion that Television brings negativity in the environment hence should be used less.

The same demographic classification was done for the five selected metropolitan cities separately and it is observed that in all the cases, findings of the consumer’s behaviour were similar to overall findings. This proves that it hardly matters where the Consumers are situated but the factors like age, profession etc matter. Of them Income plays again an important and significant role to find which media is preferred by the Consumers to buy the fast moving Consumer Goods.