CHAPTER 1
INTRODUCTION

1.1 Background

A few years ago, brands were uncertain about social media as a medium of marketing communications. Today, social media platforms are being explored by nearly every business all over the world as a potential marketing tool (Neti, 2011). Social media includes a variety of online tools which act as instruments of communication. According to a report published in 2014, social media platforms had penetrated 12% of the total population in India (Coursaris, Van Osch and Brooks, 2014). Social media connects several people whom they may not be able to personally meet and communicate with each other. People from different geographical locations can instantly connect with each other and exchange relevant information without any restriction. The consumable industry has discerned the potential of using social media for marketing communications with the advent of advanced technologies that aim to provide seamless connectivity throughout the world (Bhanot, 2011). Social media assists organizations to add value to their reputation by enabling them to practically execute cost-effective strategies and promotional campaigns. However, the potential of social media as tool of marketing communications in correlation to several factors such as the field of business, marketing strategy adopted, financial status of the organization, etc., in affecting the consumer behaviour needs further exploration. Constant research should be undertaken in this area since the changing trends in social media leads the organizations to constantly realign their marketing strategies as a means of improvisation, in order to keep up with the competition for gaining customer attention. With respect to the Fast Moving Consumer Goods sector (FMCG), the impact of social media can be multifarious. Therefore, the present study focused on identifying the trends in the use of social media by the Indian FMCG companies and to assess the effectiveness of social media strategies used in the sector over traditional media strategies in influencing consumer behaviour towards the FMCG products.
1.1.1 Social media

Social media, an application of a novel category of information technology, has proliferated in modern human lives, where cooperative communication among various partners is supported through internet-based operating systems. Facebook, Twitter and Linkedin are the prime social media examples, which are used by millions of people (Kane et al., 2014). The reach of social media applications is so vibrant that almost everyone yield to a particular segment. The ability to create customized self-presentations, otherwise called as avatars with the help of massive multiplayer virtual world games such as World of Warcraft and virtual social worlds such as Second Life are great examples for users getting caught in the frenzy of social media usage (Kaplan and Haenlein, 2009).

Social media is becoming increasingly widespread and is changing how individuals communicate with each other. It is believed that an average of 4.6 hours per week is spent on social media platforms by people all over the world (Arca, 2012). Businesses are interested in social media as it is changing the scope of where and how the consumers spend their time. The utilisation of social media in the marketing of consumables has assumed gigantic proportions, as people are always connected to the virtual world through their personal devices, such as cellular phones, laptops, personal computers, etc (Agarwal and Yiliyasi, 2010). Social media users engage in conversations with peers, tag other users, create, share and edit information regarding products used by them (McAfee, Howe and Surowiecki, 2011). The users create a semi-public or public profile for themselves using which they can identify other individuals of similar interests and share information with them (Boyd et al., 2008). Such user profiles provide a vast amount of information that can be effectively used by advertisers. Therefore, the organisations are scrambling to maximise the utilisation of social media in attracting customers to their businesses (Tuten and Solomon, 2014). In fact, 30% of the B2B marketers are believed to spend millions of dollars every year on social media marketing for lead generation and sales (Saravanakumar and Suganthalakshmi, 2012). Over 56% of the marketers invested more than 6 hours per week in managing social media platforms such as Facebook, Twitter and Linkedin in order to improve their customer reach (Stelzner, 2012). In 2009, it was predicted that
the percentage of online retailers in US with a Facebook page would soon reach 99% (Neti, 2011).

Social media enables the consumption of online content followed by suitable interaction by the consumers (Boyd and Ellison, 2008). It is regarded as a platform that enables individuals to generate a specific online profile that can be accessed either by members of the public or by members of a particular group. Opinions, perspectives, beliefs and insights in the form of content and media can be shared among a targeted group of receivers, and is considered as highly interactive (Aula, 2010). Social media is about the people’s interrelationships and the connections between organisations (Nair, 2012). The exchange of information occurs through various modes, including text, audio and video. The tools of social media include Wikis, chat rooms, social networking sites, discussion boards, blogs, widgets, video logs, etc. Social networking sites allow users to create profiles on the site, post and share information, and communicate with other users (Kaplan and Haenlein, 2010).

Consumers use social media mostly to keep in touch with family members and friends. Their decision making on purchases are influenced by the recommendations from their relatives and friends (The Economist, 2009). They also use social media for entertainment and while doing so, may be exposed to advertisements placed by companies. The content shared in social media platforms lack formal organization, thereby encouraging conversation among the users and strengthening relationships within brand communities, which in turn influence the purchase decisions of the customers (Nair, 2012). Unlike traditional methods, social media allows the interaction of potential customers with the advertisers. The consumers can also directly contact the advertiser as well as an unlimited number of other consumers using the product (Mangold and Faults, 2009). The instant exchange of views and opinions of like-minded and contrasting populations assists the organizations to judge public sentiment towards a specific cause or event. Additionally, long-term public relationships and loyalty factors can be sensed through the social media utilisation. However, control over where and when the message was placed was higher for the advertisers while using traditional methods, whereas, advertisers had control only with the initial placement of information in social media (Mangold and Faults, 2009).
Social media are now considered as mainstream and the users cover a broad demographic spectrum. The number of preadolescents and adolescents using social media sites has rapidly increased in the past few years with studies reporting that 75% of the teenagers present worldwide possess cell phones while 25% used them for engaging in social media activities for the purpose of entertainment and content sharing with peers (Hinduja and Patchin, 2007). With respect to adults, it was found that 47% of the internet users were also users of social media sites (Lenhart et al., 2010). According to a 2014 report, the number of active users of Facebook was 1.28 million (Coursaris et al., 2014). Apart from individuals, other groups and organizations also participate in social media platforms for the sake of enhanced outreach (Culnan, McHugh and Zubillaga, 2010). Several business organizations, several educational institutions, charitable institutions and other corporates also seek social media for propagating their organisational goodwill and objectives (Dabbagh and Kitsantas, 2012; Lovejoy and Saxton, 2012). In such institutions, social media helps in displaying the prominent institutional and organisational features, enabling peer-to-peer interaction among faculty members, providing educational support to students, providing valuable guidance to potential customers, guiding people to their preferred style of making purchases and assisting the customers in finalizing their transactions (Schlinke and Crain, 2013; Ioanâs and Stoica, 2014). Social media facilitates several fund-raising campaigns, humanitarian work projects and cause-related campaigns to be proactively conveyed to the people. The sheer volume of content shared among the extensive network of social media users results in enhanced customer attention. Therefore, it is seen that several firms have increased their social media related investment over the past few years. The growing popularity of social media among users and the subsequent emphasis placed by firms on marketing approaches using social media have made it crucial to understand how social media exposure affects consumer brand consciousness and purchase patterns.

1.1.2 Social media platforms

Social media functions on platforms that use Web-based technology to develop, deploy and manage social media solutions and services. The social media platforms cater to different individual needs of the users. Broadly speaking, the social media platforms can be classified into six major categories, namely, networking, collaborative, image-
sharing, blogging, video-sharing and micro-blogging based on their functionality (Nicholas and Rowlands, 2011; Kaplan et al., 2009 and Baruah, 2012). Some of the examples for each category of social media platform have been listed in Table 1.1.

1.1.2.1 Networking

A social networking site enables the exchange of information between people who have common interests and are engaged in similar activities. Several features, such as sharing of ideas, notifications of events and activities, and topics of mutual interest are enabled by networking social media platforms. Facebook is a popular social networking site as it is commonly used across the world (Helms, 2010; Castronovo and Huang, 2012; Gregurec, Vranešević and Dobrinić, 2011; Geho and Dangelo, 2012). Recently, organizations in India such as UTI (Unit Trust of India) and Videocon DTH services have launched their presence in social media platforms such as Facebook and Twitter for better customer service (Pandya, 2012). Networking is advantageous to the users as they can share the information discovered by them, thereby facilitating open communication among the intended group members. The networking feature can be helpful in offices where employees can communicate and discuss about the work coordination and employers can search for opportunities to advertise and widen their clientele base. Additionally, employers use networking for recruitment purposes. Apart from the business opportunities posed by networking platforms, the mere organisational presence in networking sites enhances the company’s reputation, as many people prefer to choose their products that are generally recommended in such sites. Networking social media platforms also facilitate market studies through which people’s inclinations towards certain products and services can be gauged. Networking sites facilitate sales and marketing campaigns and direct potent customers to specific websites from where they can choose and buy the products.

Table 1.1: Categories of social media platforms

<table>
<thead>
<tr>
<th>Categories</th>
<th>Description</th>
<th>Example applications</th>
</tr>
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</table>
| Networking | - Exchange of ideas  
- Up to date information on activities and events of other users  
- Facilitate sales by directing potential customers to specific websites  
- Facilitates market studies through which people’s inclinations towards certain products and services can be gauged | Facebook, Twitter, YouTube, Google Plus, LinkedIn, Instagram, Snapchat, Pinterest, Four Square, Blogs, |
<table>
<thead>
<tr>
<th>Category</th>
<th>Features</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative</td>
<td>Facilitates content sharing for self-directed studies and peer-based learning&lt;br&gt;Appreciated by young people for facilitating interactive learning&lt;br&gt;Helps in honing knowledge and skills using information provided by field experts</td>
<td>Wikipedia, Google Docs, Slideshare, Survey Monkey</td>
</tr>
<tr>
<td>Image-sharing</td>
<td>Services such as transferring, sharing, uploading and archiving of images in a closed group or in a public platform&lt;br&gt;Features such as online gallery, ability to add comments or blog entries along with the images&lt;br&gt;Technical advancements such as unlimited cloud storage for the users to upload unlimited photographs and videos at a better bandwidth</td>
<td>Instagram, Picasa, Pinterest</td>
</tr>
<tr>
<td>Blogging</td>
<td>Allows creative individuals to key-in and share their thoughts instantly through platforms, followed and commented by a huge audience&lt;br&gt;Additional features to improve aesthetics such as sharing of images, videos, etc.&lt;br&gt;User-friendly for beginners</td>
<td>Tumblr, Wordpress, Blogger</td>
</tr>
<tr>
<td>Video-sharing</td>
<td>Allows rapid uploading or sharing of multimedia files in a public setting&lt;br&gt;Abundant space for storing the data-heavy multimedia content&lt;br&gt;Features such as live video streaming, free viewing of trending videos, comments, rating, tagging by viewers</td>
<td>YouTube, Vimeo, Google Video, Grouper, Jumpcut, Dilymotion, AOL, Eyespot</td>
</tr>
<tr>
<td>Micro-blogging</td>
<td>A micro-blog is much shorter than blogs, where the content is limited to a specific number of words and short messages and phrases are allowed to be shared.&lt;br&gt;Twitter is the currently dominant player</td>
<td>Twitter, Tumblr, FriendFeed, Jaiku, Plurk</td>
</tr>
</tbody>
</table>

Source: Adapted from Helms, 2010; Castronovo and Huang, 2012; Geho and Dangelo, 2012; Kairam, Kaye, Guerra-Gomez and Shamma, 2016; Schlinke et al., 2013; Patel, Rathod and Prajapati, 2011; Kichatov and Mihajlovski, 2010; DeVito, Birnholtz and Hancock, 2017; Johansson, 2010.
1.1.2.2 Collaborative

Collaborative social media enable individuals involved in a particular kind of work to collaborate with each other and work towards attaining a common goal. The modern day computer software and applications facilitate such transfer of knowledge, views and opinions through various online platforms. Collaborative social media platforms enable content sharing among the concerned people, where they can build and maintain a certain degree of association for enabling self-directed studies and peer-based learning. The interactive learning opportunities are particularly appreciated by young people, who look for consistent accessibility through various hand-held devices. Young people have a strong urge to be constantly connected with their preferred partners, expecting an immediate update from them. Some of the prime examples of collaborative social media include wikipedia, e-mails, chatting links, bookmarking sites, etc. (Al-Rahmi, Othman and Yusuf, 2015).

Collaborative social media platforms provide access to several communities that share relevant information online. It is important to note that online platforms work far better than physically accessing the required information, as in the case of libraries.

1.1.2.3 Image-sharing

Image sharing is one of the common online activities that has increased over the years. The modern trend of capturing every daily life event and sharing the images has caught everyone’s fancy. Various websites and applications render the services of transferring images, where a person can upload and share images either to a closed group or on to a public platform. Individuals have the option of creating and maintaining an online gallery of their preferred images, which can be viewed by other people. One can share unlimited images and videos by subscribing to the paid channels of such image sharing social media platforms. Some websites and applications also allow users to write their comments and blogs along with the sharing of the pictures (Kairam, Kaye, Guerra-Gomez and Shamma, 2016). Several websites allow for streaming of recently shot photographs with either specific group members or to several group members.
Recent technological advances have resulted in several websites offering unlimited cloud storage spaces for the users to upload unlimited photographs and videos at a better bandwidth. Additionally, high-resolution images can be archived, managed and shared with several groups. A few examples for websites offering image hosting are Imgur, Flickr, Google photos, 500px, PostImage, etc.

1.1.2.4 Blogging

Several people think creatively in a sporadic manner and they need to instantly express those valuable ideas at the spur of the moment. Websites that allow individuals to key-in their thoughts and opinions, and share them online are known as blogging websites. These websites provide the technologically advanced platforms through which users can share their content in the form of text, images, videos, etc. Certain websites also provide theme-based online structures that allow the otherwise monotonous text to be presented in an aesthetic form. The content is allowed to be followed and commented by other users. Some websites allow for reblogging, where users can write their blogs on other existing blogs. The blogging websites, however, manage the content posted by users and possess total control over it (Schlinke et al., 2013).

Bloggers use hypertext markup language (HTML) to generate their blogs since no specific blogging software is required. Nevertheless, a blogger without any HTML knowledge can generate and maintain a blog through blogging software, since it enables the blogger to concentrate on the subject rather than worrying for maintaining record logs and periodic archives. Blogging also enables users to work in tandem with other online platforms and web-based technologies (Schlinke et al., 2013). For example, the blogging platform and open source content management system Drupal allows creation of modern and manageable web pages, thereby making it a useful option for business organizations. Another such open source content management system widely used by marketers is Joomla which allows creation of highly interactive webpages for e-commerce applications (Patel, Rathod and Prajapati, 2011). The process of setting up the blogs is also user-friendly and requires minimal user effort. Further, a huge audience could be targeted through blogging
sites as they are capable of transmitting the information in varying degrees of detail, without the loss of subject relevance.

1.1.2.5 Video-sharing

Several websites allow registered users to upload and share videos, which can be viewed by anyone accessing the website. Comments made by users are allowed to be posted on such video-sharing websites and the users are allowed to rate or tag the videos. These user reviews are meant to be read by other consumers who gauge the experience of other people before deciding to use a specific content.

The websites govern the storage size and the time allotted for the uploaded videos (Kichatov and Mihajlovski, 2010). In the past, uploading or downloading videos were time consuming tasks owing to several limitations such as internet speed. However, latest advancements in internet and other technologies have enabled the rapid uploading or sharing of multimedia files. Video-sharing websites provide abundant space for storing the data-heavy multimedia content intended for use by the restricted communities or by the general public. The restrictions on the content size have been alleviated by storage solutions, thereby enabling a better online experience to users. Youtube is a prime example of video-sharing websites, as it has developed creative and ingenuous working solutions in response to the past issues of uploading and using video files. Youtube was ranked as the third social media platform to attract web traffic in US, following Google and Facebook (Cha, 2014).

Video-sharing websites enable business establishments to create and upload their profile videos without any specialist web knowledge, helping them to reach out to a vast number of potential clients. Video-sharing media seek to tap the preferences of the audience and provide appropriate content, which is related to their queries and interests. Such user-friendly features offer a great level of convenience to people with inadequate resources. Another important point to be noted is that video-sharing websites can only function if the internet connectivity speeds and the hardware requirements are up to global standards.
1.1.2.6 Micro-blogging

A micro-blogging website is similar to a blogging website, except that the micro-blog content is much shorter and crisp. Twitter is the currently dominant player in the category of micro blogging sites (DeVito, Birnholtz and Hancock, 2017) where the micro-blogs written by users are known as tweets. Twitter allows a maximum length of 140 characters per tweet. The tweets are read by friends, followers and other registered members, thereby expanding the micro-bloggers’ circle of contacts. Both personal and commercial uses are possible through Twitter, wherein the necessary information can be instantly relayed to the concerned group of individuals. Internal organisational communication and group discussions are also possible through micro-blogging websites (Johansson, 2010).

The chief advantage of using micro-blogging is that the information is comparatively short, easy to send and read. Micro-blogging also offers other advantages, such as facilitating the discovery of improved content, instant flashing of important news, providing a platform for various organisations, improving of client relations, eliminating the need for advertising, expanding the scope of market surveys, facilitating marketing campaigns, tracking the latest news and related information and exploring novel opportunities.

1.1.3 Differences between traditional and social media

Researches have found several differences between traditional and social media marketing. A few differences are listed in Table 1.2 (Dave, 2016).

<table>
<thead>
<tr>
<th>Traditional media</th>
<th>Social media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expensive</td>
<td>Cost-effective</td>
</tr>
<tr>
<td>Absence of social integration</td>
<td>Allows social integration</td>
</tr>
<tr>
<td>Non-interactive</td>
<td>Interactive</td>
</tr>
<tr>
<td>Instant communication is not possible</td>
<td>Instant communication is possible</td>
</tr>
<tr>
<td>One-way communication</td>
<td>Two-way communication</td>
</tr>
<tr>
<td>Small target group of audience</td>
<td>Large target group of audience</td>
</tr>
<tr>
<td>Rigid content</td>
<td>Flexible content</td>
</tr>
<tr>
<td>Updation of content is difficult</td>
<td>Easy updation of contents</td>
</tr>
</tbody>
</table>
Apart from the advantages of social media over traditional media made evident by the table, improved Word of mouth (WOM) among various strata of the society as a result of social media marketing strategies has also been reported as another major advantage (Dewan and Ramprasad, 2014). However, there are certain disadvantages associated with social media. The regular updation of information in social media applications may sometimes prove to be time consuming for business owners. Since social media allows for interactive reviews and comments, a significant number of unverified or biased/ negative information could be expressed against the content providers. The content can be controlled in traditional media, whereas social media are deficient in controlling the online information. The assessment of the return on investment is possible through traditional media, but not via social media (Dave, 2016).

1.2 Marketing Communications

Marketing communications entail the basic as well as the advanced approaches adopted by organisations for marketing their products and services (Belch and Belch, 2003). Such organisational approaches comprise of various modes of communication that are required to interact with potential buyers. Some of the instances of marketing communications include sale promotions and presentations, advertising, direct marketing, online communication, conducting events and public relation activities, interactive marketing, etc.

Marketing communications is defined as the means of informing, persuading and reminding customers regarding a brand either directly or indirectly (Kotler and Keller, 2006). In the past, the companies used only the traditional media to promote their marketing communication activities. However, with the advent of social media, there has been a significant shift in the way companies carry out their marketing communication activities.

Marketing communications are the set of complex measures, techniques and methods adopted by the companies so as to convey the information about goods, services or brand of the respective company to the consumers (Todorova, 2015). Marketing communications assist the marketers by performing several functions such as building and maintaining relationships among participants and leveraging these relationships with respect to brand
equity (Dawar, 2004). Broadly, two categories of marketing communications are in use, external and internal marketing communications (Charles, 2011). External marketing communications include the information sharing through office website, guarantees, company annual report, etc. while internal marketing communication conveys the information through price list, product catalogues, sales presentations and management communications.

Marketing communications can be specific to provide detailed product information or they can be general, thereby choosing to ignore the product altogether to address other issues. Using various market communication tools, the advertisers can translate the various positive attributes of a product into benefits (Belch et al., 2003). Proper marketing communications can make the consumer understand about how and why a product is used, which categories of customers are using these products and also when these customers use these products. Marketing communications will convey messages regarding who makes the product and what that company and brand stand for. Apart from that, marketing communications also can be used for providing the information about offers and incentives related to the products which will help to boost the sale. According to Keller et al. (2009), marketing communications can associate a brand with a specific place, thing, person or experience. This feature of marketing communications allow marketers to surpass the physical nature of their products or the technical specifications of their services and in turn help them to suffuse the products with additional value. In this manner, the number of purchases and the brand loyalty of customers can be improved as a result of marketing communications. Also, this ability of marketing communications to transcend the inherent qualities enable it to provide information that create points of differences that otherwise would not be possible. Marketing communications helps the brands to express their uniqueness to the customers and help them to appreciate the comparative advantages of the brand. They function as a major channel that link the companies’ brands to other people, experiences, feelings, places, events and things, thereby creating experiences for the users and building brand communities. They help in establishing brand image and also contribute to brand equity by improving the recall ability of customers, which in turn drives sales and affects the shareholder value (Luo and Donthu, 2006).
1.2.1 Tools of marketing communications

The primary aim of marketing communications is to get in contact with the target consumers and build up a communication channel between the marketers and the consumers. The companies make use of ‘marketing communication mix’ which refers to integration of diversified tools of marketing communications such as advertising, personal selling, public relations, direct marketing, sales promotion, events and experiences marketing and interactive marketing to enhance efficiency.

Advertising

‘Advertising’ is the tool which is used by the majority of organizations as a means of marketing communications and has the largest reach among consumers. According to Keller et al. (2012) advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor which is exhibited by multiple form of media such as print media, telecommunications (radio and television), network communications (telephone, cable, satellite, wireless), display media (billboards, signs, posters) and electronic media (audiotape, videodisk, CD-ROM, web page). The aim of the advertisement is to encourage, persuade and even to manipulate the target consumers so as to attract them towards the organization. Advertisements create a certain degree of awareness of products which will help the promoter to apply the modern methods of sales such as self service in the later phase. Advertisements also performs value addition to the purchase of expensive and risky products. Advertisements are capable of crossing the geographical borders and can attract the large and geographically dispersed markets. Since advertisements are mass communication channels, the cost involved is moderate. Further, an advantage of advertising is that advertisers have a direct control over the content, design, time and place of broadcast of the advertisements (Todorova, 2015). However, the success of the advertisements largely depends on the preparation of the advertising budget which, in turn, depends on the role of advertising in marketing communications and is solely determined by the independent companies.
**Personal selling**

Personal selling involves the personal presentation of products to the client with a motive to persuade the client to purchase the products. It usually involves two way communication between seller and buyer with the ultimate aim of selling the products. It provides a good platform in order to inform customers about the new products and services and also helps to retain a good long term relationship with the customer. Personal selling has the advantage of modifying messages as per the client and at the same time, ensures greater control over the client, thereby resulting in enhanced buying behaviour. The success of the companies which use personal selling as a marketing communications tool largely depends on one particular attitude of the companies “the customer comes first” (Frey and Rudolf, 2010). The major disadvantage of this method is its high cost as compared to other tools.

**Public Relations**

Public relations are interactive systems that use one or more devices to interact with the target audience mostly with the aim of measuring the pulse of the audience regarding the organization. PR generally indicates how a company handles the flow of information regarding its employees, stakeholders and others who are supposed to be the target audience of the respective companies. Public Relations is a systematic act of building an image of a product/service/idea/company among the target group/general public/stakeholders through a well designed promotion on a regular basis. Public Relation is relevant to all activities in the organization and cover all communications. The main objectives of the PR are to create and maintain understanding with the audience and influence public opinion. However, the importance of PR as a tool of marketing also depends on the size of the company. According to studies conducted in 2010, PR as a marketing tool is comparatively less important in small companies than in bigger companies (Frey et al., 2010).

**Direct Marketing**

Direct marketing is the tool by which the organizations communicate directly with their target audience so as to generate reactions and business transactions (Todorova, 2015). The components used in direct marketing includes direct mailing, catalogues, inserts and
coupons, online marketing and tele marketing (Frey et al., 2010). Direct marketing works on the customers in a way that it makes them aware of the products and pursuades them to purchase the same. Other advantages of direct marketing include a positive increase in customer share (Verhoef, 2003), purchase frequency (Venkateshan and Kumar, 2004), cross buying (Franses and Hoekstra, 2001) and consumer decision making regarding their first purchase of a product with respect to consumer packaged goods (CPGs) (Steenkamp and Gielens, 2003). However, direct marketing is also considered as an unsolicited advertisement which creates annoyance among general public (Frey et al., 2010).

**Sales Promotion**

Sales promotion is a simple but inevitable marketing communications tool adopted by organizations. Providing the incentives to the customers so to influence them to purchase the product is the targeted aim of the sales promotions. Usually, the incentives are in the form of freebies such as free goods, gifts, discounts and coupons etc.. Another advantage of sales promotion is that it can easily influence the customers who are willing to pay a premium for real value and service (Frey et al., 2010).

**Events and experiences**

Brand related interaction is encouraged among consumers through activities and programs relating to entertainment, arts, sports or other less formal events sponsored by the companies (Kotler et al., 2009). Marketing communications performed this way tend to leave a lasting impression on the participants which improves brand attention and brand value (Yelkur, 2000).

**Interactive marketing**

Interactive marketing is based on communication of a brand with the customers. Therefore, it is closely linked to the method of content marketing. The existing customers of a brand and the potential customers are engaged through online programs and share content that are designed to improve brand awareness and brand image for the purpose of increasing sales of the company (Kotler et al., 2009).
1.2.2 Social media and marketing communications

The relationship between marketing and marketing communications is that marketing allows the flow of goods from marketer to consumer with the help of effective marketing communications techniques which represent the process of using coordinated programs for transmitting persuasive information from the marketers to the audience and to exercise the power of marketers, based on which the decision making of consumers as well as their commitment and loyalty to the brand are fostered (Mohr and Nevin, 1990). In yesteryears, traditional media such as newspapers, magazines, other print publications, television and radio were the only means of product promotion by the companies. With the arrival of social media such as Facebook, Twitter, YouTube, Google+, LinkedIn, etc. in the 21st century, there has been a noteworthy change in the way companies operate their marketing activities (Sheebarani, 2013). The number of marketers investing their time and money in social media marketing is increasing due to two reasons: a wide scope for the organizations to reach a huge number of potential consumers in a fraction of the time as compared to traditional methods; the power-shift from companies to consumers as a result of social media marketing.

1.3 FMCG Sector

Fast Moving Consumer Goods (FMCG) are products that are purchased and utilized repeatedly by consumers. In other words, these are also known as consumer-packaged goods (CPGs), though not a commonly used term. Fast Moving Consumer Goods (FMCG) are relatively low cost products which have a quick turnover and frequently sold in bulk quantities by the producers and the wholesale suppliers, and are further sold by the retailers, often for a small margin of profit (Malhotra, 2014, Mohan and Sequeira, 2016). The items that fall under the FMCG category include personal care, household care, and food and beverages. The Indian FMCG sector engages the services of more than three million people in various activities (Amsaveni and Gomathi, 2013). The FMCG sector is a constantly growing sector and constitutes a co-ordinated network for distributing goods at competitive prices (Balyan, 2011). The Indian FMCG sector is the fourth largest of the manufacturing sectors in the country, whose vital success factors are brand equity, product quality, timely
distribution of goods, comprehending the consumer psychology and developing new products to cater to the varied requirements of consumers (Sheebarani, 2013).

1.3.1 Classification of FMCG goods

FMCG can be broadly categorised as personal care, household care, and food and beverages (Helms, 2010). The personal care includes items that are used on a daily basis, whereas the household care category includes items that are used for maintaining households. The various toiletry items are examples of personal care, and cleaning agents and air fresheners are examples of household items. Foods and beverages constitute the perishable items that are regularly consumed. Cereals, fruits, vegetables, meat, tea, coffee, fruit juices and other edible items are examples of food and beverages (Sheebarani, 2013).

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

Based on the prime factor behind the buying, fast moving consumer goods can be further subdivided into 3 classes (Majumdar, 2004).

1. Staples: Goods that consumers purchase on a regular basis. For example, a buyer purchases sauce, biscuits, toothpaste, toilet soap, detergent etc. as and when stocks reach a critical level.
2. Impulse Goods: Goods that are purchased without any planning or search effort, procured due to external stimuli. Shoppers might not have thought of buying the potato chips, chocolates and soft drinks displayed in the Kirana stores until spotting them.

In 2012, the revenue from FMCG sector of India was US$ 13 billion (Amsaveni et al., 2013) and in 2015, it was estimated to be US$ 47.3 billion (Daniels, Radebaugh, Sullivan and Salwan, 2016), thereby indicating the rapid growth of Indian FMCG sector. The Indian FMCG sector is believed to grow at an annual average of about 17% since 2010 (Amsaveni et al., 2013). By 2020, the overall FMCG market is expected to touch US$ 110.4 billion at a compound annual growth rate (CAGR) of 14.7%. The rural FMCG market is anticipated to reach US$ 100 billion during 2012-2025 at a CAGR of 17.7%. The segment of food products is leading, accounting for 43% of the overall market, followed by personal care (22%) and fabric care (12%) (IBEF, 2017).

The Indian FMCG industry is estimated to be valued at Rs. 1, 30,000 Crores and accounts for 2.2% of the national GDP (Gopinathan, 2010). Growth of the industry driven by urbanization, favourable demographic trends, rising income levels and robust macroeconomic conditions has occurred at approximately 17% CAGR. It is estimated that the industry would grow to Rs. 4, 00,000 Crores by the year 2020 driven by the same factors (Gopinathan, 2010).

FMCG products provide a comparatively lower profit margin to the retailers, but the profit is made by selling huge quantities of the product (Dave, 2016). Moreover, there is a quick turnover, requires relatively low input and investment cost. They also have high cash inflow and a low debt to equity ratio (Kapoor et al., 2010). Thus, FMCG can be called as the most classic case of low margin/high volume business (Malhotra, 2014). Some of the largest and most recognized global companies are retailers e.g. Walmart, Carrefour. The global leaders in the FMCG section include Johnson and Johnson, Colgate-Palmolive, Kellogg's, Heinz, Nestlé, Unilever, Procter & Gamble (P&G), L’Oreal, The Coca-Cola Company, General Mills Inc., PepsiCo. In India, the leading organizations are Hindustan Unilever Limited (HUL), ITC Ltd, Colgate, Cadbury, Nestle and P&G (Kapoor et al., 2010, Mohankumar and Shivraj, 2010). The Indian FMCG sector is similar to its global peers with a distinctive MNC presence, strong branding, steady and sustainable growth, great dividend payout and maximum return on net worth (RONW). The Indian FMCG sector has a distinct MNC presence. There is a well-known circulation system with strong contention
between the organised and unorganised sections of the FMCG sector (Mohan et al., 2016). India has an advantage in having low operational cost, presence of raw materials and cheap labour (Kapoor et al., 2010).

The meteoric rise of CAGR in the FMCG sector of India is attributed to the growing awareness among consumers, easier access, and changing lifestyles, robust macroeconomic conditions, rising income levels, increasing urbanisation and favourable demographic trends (Gopinathan, 2010, Sheebarani, 2013). Regarding the growth of FMCG sector in the rural areas, Singh and Sahu (2016) found that there will be an increase in the agricultural productivity, which will lead to a higher income and there will be lowering of difference in perception of urban and rural consumers. There will be an added advantage to the FMCG companies because of the changing policies on licensing by the Government of India (Dave, 2016). Thus, the FMCG sector can be considered as a crucial and evergreen sector of Indian economy (Kapoor et al., 2010).

1.4 Significance of the Study

The present study focuses on identifying the current trends prevalent in the FMCG market regarding social media marketing strategies and to assess the factors influencing buying behaviour of the customers with respect to the FMCG sector. The significance of the present study can be explained with the help of the following points as listed below.

- While researchers have studied traditional media extensively, there is a dearth of research regarding the trends of social media usage among marketers, especially in the Indian context (Peeroo, Samy and Jones, 2016; Misra et al., 2010).

- In spite of the varied options available with respect to FMCG products such as soaps, detergents, etc., studies report that the consumers are not delivered with the desired products at the right price, at the time of need (Mohankumar et al., 2010). In order to achieve bridging of such communication gaps between the consumer and the marketer, it is important to explore the efficiency of a variety of communication tools in achieving brand promotion.
Today, tough competition prevails in the global market, thus making it difficult for the MNCs to attract customer attention and excel in their business. With the right marketing strategies in place, the organizations can attain new customers or retain the existing customers, thereby catapulting brand awareness. In addition, the review of literature exhibited substantial research to be absent regarding appropriate marketing strategies to be adopted by the companies dealing with FMCG goods in India.

The present study attempts to unravel the complexity of consumer mind-set while making a purchase decision by closely studying customer responses to FMCG products. Therefore, the study assists the development of effective marketing communications in the Indian FMCG sector in a huge way by simplifying the mind-set of the consumers, thereby helping the companies to take sound marketing decisions.

1.5 Statement of the Problem

The FMCG sector of India has gradually begun accepting social media as a tool of marketing communications (Dave, 2016). However, the use of social media alone as a device for marketing communications in Indian context remains doubtful (Rishi, 2011).

The effectiveness of social media in isolation, in achieving successful advertising is doubted as the art of customer attraction is a complex process involving a multitude of factors, which needs to be mapped through specific studies.

With respect to the FMCG sector, complete utilization of social media has not been done to its optimal extent. In depth analysis of relationships between consumer behaviours in response to social media (purchasing, loyalty) and companies (performance, sales, brand image, and reputation) have not been done (Durukan, Bozaci and Hamsioglu, 2012).

Companies must understand that social media can be helpful only if there is a strategic implementation, purposefully done with feedbacks. However, it has been
observed that many big companies using social media fail to measure the effectiveness of their communications (Hubar, Burnaz and Ozyazgan, 2010). According to Najmi et al. (2005), an ideal monitoring system would assess both effectiveness and efficiency of the social media marketing strategies in place. Monitoring of social media by the FMCG companies in India is also studied in the present research.

- The present study minimises this gap by considering the effects of customer behaviours in response to social media and by analyzing the trends in the usage of social media as a marketing communications tool by the FMCG Sector.

1.6 Objectives of the Study

- To undertake a comparative analysis between traditional media and social media as a tool of marketing communications in the FMCG Sector.
- To evaluate trends in use of social media as a tool of marketing communications in the Indian FMCG Sector.
- To assess the effectiveness of marketing communications through social media.
- To analyse consumer perception of social media as a tool of marketing communications in the FMCG Sector.
- To examine the impact of exposure to social media content on purchase behaviour.

1.7 Hypotheses of the Study

Several hypotheses were framed, incorporating predictions of all possible outcomes of the study and then were tested using appropriate statistical methods.

1.7.1 Company perspective

Eight hypotheses were formulated to understand the factors associated with social media marketing that influence the sales of an organization. These alternate hypotheses are enumerated as follows:
Hypothesis 1\textsubscript{a}: The advantages of social media over traditional media significantly influence the increase of sales.

Hypothesis 2\textsubscript{a}: The content of social media influences the increase of sales.

Hypothesis 3\textsubscript{a}: The scope of opportunities by social media significantly influences the increase of sales.

Hypothesis 4\textsubscript{a}: The choice of social media platform for any product category significantly influences the increase of sales.

Hypothesis 5\textsubscript{a}: Customer engagement provided by social media significantly influences the increase of sales.

Hypothesis 6\textsubscript{a}: The effectiveness of social media marketing campaign significantly influences the increase of sales.

Hypothesis 7\textsubscript{a}: The virality of the social media marketing campaign significantly influences the increase of sales.

Hypothesis 8\textsubscript{a}: The availability of database in social media significantly influences the increase of sales.

1.7.2 Customer perspective

Six hypotheses were formulated to understand the factors that influence the intention to buy through social media. These hypotheses are enumerated as follows:

Hypothesis 9\textsubscript{a}: The advantages of social media over traditional media significantly influence the intention to buy.

Hypothesis 10\textsubscript{a}: Content of social media significantly influences the buying intention of customers.

Hypothesis 11\textsubscript{a}: Customer engagement provided by social media significantly influences the buying intention of customers.
Hypothesis 12: Demographic details, such as age, occupation, education, gender, and marital status, significantly influence the buying intention of customers.

Hypothesis 13: The aspects of social media over traditional media significantly influence the intention to buy of customers.

Hypothesis 14: Marketing campaign of social media significantly influences the buying intention of customers.

1.8 Scope of the Study

The research mainly aims at analysing the utilization of social media as an effective marketing communications tool in the FMCG Sector.

- The present research will help to know the perception of consumers towards social media as an effective marketing communications tool in those companies.

- The study will check the behaviours and reactions of the customers towards the online marketing in social networking platforms and analyse the advantages and disadvantages of the same with respect to the targeted companies in the FMCG sector.

- The research will further analyse whether exposure to social media content influences purchase actions and to what extent.

- The study will also help to analyse to what extent the impact of the social media influences the companies to build the brand value and how these companies are using these social media to strengthen the brand, increase the sales, and find new customers, etc.

- The study will give the analysis of whether the usage of social media will place the company in to a better position to capitalise the consumers attraction comparing to traditional mass media and if so how.

- The present research will give an insight to the various strategies organized and practised by the FMCG companies and its effects.
The research will also check the various analytical tools which are used for social media marketing measurement and gauge the effectiveness of marketing communications through social media.

1.9 Limitations of the Study

Although careful consideration of the study has led this research to take a objective look at the goals of the study, this study is not without limitations. First of all, the present study is confined to FMCG Sector and the findings may not be generalized for other sectors. The study considers the entire social media family, which includes social networks, blogs and video sharing networks together. However, the independent and focused study of each social media and its impacts on FMCG marketing is needed for the proper and precise analysis. Even though the study conducted a comparison between traditional mass media marketing and online social media marketing, specific studies regarding the effects of transition from traditional offline marketing to the advanced methods associated with online social media marketing, on consumer behaviour needs to be studied.

1.10 Need for the Study

Since the impact of social media in the FMCG sector can be diversified, accurate information is required regarding the factors governing customer behaviour to FMCG products such as identification of a product, search for product information, comparative evaluation of substitutes, post-purchase behaviour, etc. in order to devise an effective marketing strategy. Further, the changing trends in social media usage due to technological advancements call for constant research for effective marketing to outpace the competitors of a brand.

1.11 Operational Definitions

1.11.1 FMCG

This study has adopted the definition of Malhotra (2014) for FMCG. Fast Moving Consumer Goods (FMCG) are the relatively affordable products that are frequently sold in
bulk quantities by the producers and the wholesale suppliers, and are further sold by the retailers, often for a small margin of profit (Malhotra, 2014).

1.11.2 Social Media

Social media refers to the several internet based applications which help in building relationships among users with the help of network based interactions, such as creating/sharing content, uploading/downloading photos, videos, etc. (Cohen et al., 2011; Kaplan et al., 2010).

1.11.3 Marketing

American Marketing Association has produced a new definition on marketing, according to which marketing is “an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (Rownd & Heath, 2008).

1.11.4 Marketing communications

Marketing Communications are “the means by which firms attempt to inform, persuade, and remind consumers-directly or indirectly about the products and brands that they sell. In a sense, marketing communications represent the “voice” of the brand and are a means by which it can establish a dialogue and build relationships with the customer” (Kotler et al., 2014).

1.12 Organization of the Thesis

The first chapter introduces the different concepts associated with the study, namely social media and FMCG sector and contains the significance and objectives of the study. The statement of the problem and the hypotheses are stated along with the limitations of the study. The second chapter is the review of literature which gives an indepth review and analysis of the previous studies regarding the topics of social media, relation between social media and marketing communication, and its impacts on the FMCG sector in India. The third chapter describes the methodology adopted by the current study in which the
philosophy, design and strategy of the study is explained. The selection of the research method is justified along with the procedures of data collection and sampling. The research instruments and the data analysis strategy are also mentioned in this chapter. The fourth chapter deals with the analysis of the data collected for the current study. The results of quantitative and qualitative analyses and their interpretations from both company as well as customer perspectives are presented along with the hypothesis testing. The fifth chapter discusses the findings of the present study. The final chapter contains the conclusions, suggestions, limitations of the entire study as well as the scope for future research. The organization of the thesis is represented in a diagrammatic format in Figure 1.1.
Figure 1.1: Organization of the thesis

Chapter 1 - Introduction
- Background on Social media
- Background on FMCG sector
- Significance of the study
- Statement of the problem
- Objectives of the study
- Hypotheses of the study
- Scope and limitations of the study

Chapter 2 - Review of literature

Chapter 3 - Methodology
- Research Philosophy
- Research Design
- Research Strategy
- Justification of the chosen research method
- Data collection
- Sampling procedure
- Research Instruments
- Data analysis strategy

Chapter 4 – Data analysis and interpretation
Company perspective
- Quantitative analysis
  - Data analysis
  - Hypotheses testing
- Qualitative analysis
Customer perspective
- Quantitative analysis
  - Data analysis
  - Hypotheses testing
- Qualitative analysis

Chapter 5 – Summary of findings
Discussion of findings from the present study

Chapter 6 – Conclusions and Suggestions
- Results conclusions
- Suggestions
- Limitations of the study
- Scope for further research