CHAPTER 5
SUMMARY OF FINDINGS

5.1 Introduction

According to Buchwalter et al. (2003), social media platforms are no longer a luxury, but a necessity. Since the growth of social media networking cannot be suppressed, marketers must adopt all possible approaches to use it favorably for the growth of their business.

The present study analysed social media as a tool of marketing communications in the FMCG sector in India. Several benefits and limitations of using social media marketing communications were uncovered with respect to marketers and customers. Social media marketing was found to introduce significant changes in the communication between marketers, communities and individual customers, thereby impacting the purchase behaviour of the customers and sales revenue of the companies. The findings of the study have been listed in the following section.

5.2 Findings

- Of the thirty companies included in the survey, half of them were privately owned, dealt with personal care products, followed the system of centralized decision making, had more than five branches and minimum ten years of experience in the field.

- All the companies included in the survey had advertised through traditional or social media for more than five years, with the motive of achieving brand awareness and customer engagement.

- Facebook, Twitter, YouTube and Linkedin were the most used social platforms by the companies. While a few companies also used Google plus, Instagram and Pinterest, not many of them preferred Snapchat or chat rooms for advertisement.
No significant relationship existed between the number of years of social media use by the company and the number of branches of the company or the nature of decision making of the company (centralized/decentralized).

The type of company (Public/Private/Others) was not significantly related to the primary objective of using social media marketing. Objectives of a company influence its growth in terms of number of branches and vice-versa. Although companies had several objectives, those which focused on brand awareness as their primary objective exhibited significant growth of the company, which was measured in terms of number of branches.

The choice of designated officials for handling social media marketing communications differed significantly based on the type of the company (Private/Public/Others).

Marketers in the study believed that social media should be integrated with traditional advertising in order to increase the benefits imparted by social media.

The number of social platforms and the kind of platforms were chosen based on the objectives of the company. The choice of social media platforms for the customers was dependent on demographic variables.

Since 2014, the involvement of digital heads and other outside agencies had increased over in-house agencies and branch managers in handling the social media communications.

Of the customers included in the survey, the majority of them belonged to the age group of 18 to 30 years with most of them being married, male respondents and postgraduate students.

Not most of the customers preferred to shop using social media, but obtained information using social media platforms. More customers preferred to use social media platforms for obtaining product related information, than making a purchase. The ranking of social media platforms according to their order of importance is Facebook, Instagram, Twitter and YouTube, respectively.
• Ranking of FMCG products by the customers in the order of interest generated by social media is household care, personal care, food and beverages.

**Objective 1:** To undertake a comparative analysis between traditional media and social media as a tool of marketing communications in the FMCG Sector.

The two hypotheses that address objective 1 are the following:

Hypothesis 1ₐ: The advantages of social media over traditional media significantly influence the increase of sales.

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

In the study, the traditional media was found to be monotonous and dictated while the social media sites were dynamic and interactive. The ability of customers to compare brands, prices, offer feedback and get their grievances addressed altered the purchase behaviour of the customers. Further, brand exposure, attention, recall, interest, engagement and impulse buying were enhanced in the case of social media marketing, than traditional media, resulting in increased sales. Thus, both the hypotheses are accepted.

However, the cost and infrastructure associated with social media marketing were considered as limiting factors, by the marketers involved in the study. Further, traditional marketing proved to be generic while social media marketing was limited to frequent users of the internet.

**Objective 2:** To evaluate trends in the use of social media as a tool of marketing communications in the Indian FMCG Sector.

All the companies included in the survey exhibited a gradual increase in the sales turnover in the last five years with some of the companies exhibiting a turnover of more than 5 Crores. The FMCG companies allotted their budget for social media marketing based on the previous year’s sales revenue. The companies displayed a progressive increase of >20% in their advertising budget since 2011 and it was found that nearly 30% of the total advertising budget of the companies was spent towards social media marketing. The
companies reported of improved brand association and brand recall as a result of social media usage in the past five years. The overall sales generation potential of the companies displayed improvements in the past five years owing to the incorporation of social media in their marketing strategies. Social media by FMCG Sector in India is also used to provide valuable information to the target audience, encourage the audience to undertake online purchase, establish a relationship with the audience and to interact with the upwardly mobile younger generation. Marketing communications through Social Media allows FMCG companies to be more customer-centric with a focus on satisfying changing needs and wants of the customer by providing a channel to receive customer feedback. For most FMCG brands, social media mostly consists of having a presence on Facebook or Twitter to raise brand awareness and spread word-of-mouth.

**Objective 3:** To assess the effectiveness of marketing communications through social media.

The study identified that most of the FMCG companies included in the study used a workforce to measure effectiveness of the social media strategies adopted by the company, once in a fortnight or every week. All the thirty companies included in the study monitored effectiveness with the help of twelve methods of social media monitoring, namely, leads generation, reach, traffic, conversion rates, conversation rate, engagement rate, community size, number of audience, revenue generated, metrics tailor content developed, average resolution time, opinion mining/sentiment analysis, etc. Apart from them, other methods of monitoring such as using market share report, volume of growth report, return of investment and brand tracking to measure effectiveness were also mentioned by the companies. Hypotheses that address objective 2 are the following:

Hypothesis 2a: The content of social media influences the increase of sales.

Hypothesis 10a: The content of social media significantly influences the buying intention of customers.

The study uncovered that a majority of the social media users visit the websites in search of information. Availability of voluminous and up to date information in the social media sites was found to hold a major appeal to the customers, in spite of their concerns regarding
the credibility of the content. Further, the dynamic and interactive nature of such content in the social media sites enabled the marketers to improve customer involvement and engagement, thus improving sales. Thus, both the hypotheses are accepted.

Hypothesis 3a: The scope of opportunities with social media significantly influences the increase of sales.

According to the study, the two-way communication enabled between customer-brand as well as customer-customer as a result of social media marketing, resulted in relationship building, thus increasing the scope of growth for the companies.

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

With respect to customers, the channel of social media chosen was dependent on their occupation, income group and social class. The customer’s choice of a social media platform was also most influenced by family and friends. In the case of marketers, the choice of a specific social media platform depended on their objectives as well as the category of products in question. Selection of the right social media channel helped the marketers in connecting to the right target audience, which in turn has a positive effect on sales.

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

Hypothesis 11a: Customer engagement provided by social media significantly influences the buying intention of customers.

Social media marketing was found to influence customer engagement in terms of customer attention, interest and commitment, thereby altering the purchase behaviour. Further, social media marketing also helped in creating brand recall in the customers, resulting in repeated purchases and retention of customers. The companies also reported increase in sales as a result of improved customer engagement. Therefore, both the hypotheses are accepted.
Objective 4: To analyse consumer perception of social media as a tool of marketing communications in the FMCG Sector

Hypotheses that address objective 3 are the following:

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.

Customer perception of social media influenced their buying behaviour which in turn was influenced by demographic variables of the customers. The buying intention of all the age groups exhibited statistically significant differences in the study. With respect to occupation, the buying intention of students was statistically different from private, public and self-employed workers while it was not statistically different from housewives. With respect to the education of the customers, the buying intention of postgraduate students was found to be significantly different from graduate and higher secondary. But the buying behaviour was not influenced by gender or marital status of the customers. Further, the consumers in the study perceived social media marketing to be a user-friendly option as it opens up opportunities for product discussion. Therefore, aspects of social media marketing such as user-friendliness and interaction, improved the customer involvement, which in turn affected their purchase behaviour. Therefore, both the hypotheses are accepted.

Objective 5: To examine the impact of exposure to social media content on purchase behaviour.

Hypotheses that address objective 4 are the following:

Hypothesis 6: The effectiveness of social media marketing campaign significantly influences the increase of sales.

Hypothesis 7: The virality of the social media marketing campaign significantly influences the increase of sales.
Hypothesis 8a: The availability of database of social media significantly influences the increase of sales.

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

The marketers of the study participated in social media marketing using advertisements as the main tool, to create brand leadership. By exploiting the virality of social media marketing, companies were also able to achieve brand exposure, awareness and brand association, which in turn increased sales of the company. Further, it was found that the degree of exposure to products increased with increasing number of platforms employed by the company, thus increasing the sales potential. Therefore, all the hypotheses are accepted.

In summary, the study found that social media marketing is actively emerging among marketers for the promotion of their brand and relationship building with the customers. The marketers recognize the availability of different opportunities in social media marketing and display willingness to implement the same for growth of the company. The customers also exhibit enthusiasm towards marketing communications of FMCG products using social media, but at the same time exhibit non-purchase activities, the reasons for which were also analysed by the study.