ABSTRACT

The scope of this thesis, ‘Social media as a tool of marketing communications in FMCG sector in India’ was to study the effectiveness of using social media platforms for marketing communications by the FMCG companies in India and the effects of consumer behaviours in response to social media exposure. Social media refers to a range of online tools using which internet users build relationships with other users as well as organizations by sharing their opinions, perspectives and insights using blogs, forums, media sharing sites, social networks, etc. Social media is becoming increasingly widespread with billions of people all over the world participating in popular social media networks such as Facebook, Twitter, etc. Businesses from all over the world make use of this opportunity by using social media as a new tool for marketing communications. Marketing communications refer to brand promotional activities such as advertising, personal selling, etc. used by organizations to create product awareness, improve purchase behaviour and build a brand image among customers, thereby resulting in overall development of the business. In the past, promotion was carried out by the organizations using traditional modes of communication such as newspapers, magazines, television, radio, etc. Today, the organizations exhibit a momentous shift in their marketing communications, from traditional marketing to social media marketing as a result of the revolution with social media. The focus of the present study was on the Fast Moving Consumer Goods (FMCG) sector of India. FMCG refers to the products related to personal care, household care, and food and beverages that are relatively low-cost and sold in bulk quantities by retailers as well as wholesale suppliers, often for a small margin of profit.

An elaborate review of the literature on the current topic available till date was carried out with the help of various journals. The review of literature indicated that the current research studies prevalent on the viewpoint of FMCG organizations as well as consumers regarding social media and customer relationship management by social media implementation in the Indian FMCG sector were few. Therefore, the present study was conducted with the aim of bridging this gap by studying the trends in the use of social media by FMCG companies, consumer perception of social media with respect
to FMCG products and the effects of social media on purchase behaviour, when compared to traditional media.

In the study, primary data were collected by distributing separate questionnaires to thirty FMCG companies and 500 customers, of whom 299 customers responded. Both the questionnaires were designed to gather qualitative as well as quantitative information from the respondents. The study was carried out across India by adopting a non-probability convenience sampling technique, with Digital Head, Social Media Head, Brand / Marketing/PR Managers of FMCG companies and customers between the age group of 18 to 60 years constituting the study population. Analysis of the quantitative data was performed using tools such as descriptive statistics (frequency/percentage), the Friedman test, reliability analysis, factor analysis, regression and correlation, etc.

The study uncovered that the FMCG companies which employed social media for marketing experienced several benefits such as improved brand exposure, brand awareness, brand interest, brand leadership, customer attention and recall. Facebook, Twitter, YouTube and LinkedIn were the most used social media platforms by the FMCG companies for marketing communications. While a few companies also used Google plus, Instagram, Pinterest, Foursquare and blogs, a few of them also preferred Snapchat, Forum, Social book marking or chat rooms for marketing. The customer choice of social media platforms was found to be Facebook, Instagram, Twitter, YouTube and LinkedIn, with Facebook being the most frequently used social media platform. More number of customers were found to prefer social media for obtaining product information than for making a purchase. While the customers exhibited a willingness to purchase personal care products, electronic goods and household items using online platforms, most of them were hesitant to buy food and beverages without personal examination, in spite of the discounts offered by the online stores. The study also assessed the extent of social media monitoring carried out by the companies and found that while most of the companies measured effectiveness of social media strategies once in a fortnight or once every week, a few companies did not possess the knowledge or tools used to measure efficiency.

In summary, using social media for marketing communications 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. An important finding of this study is that, the organizations involved with FMCG goods used social media marketing methods in a marketing mix, to supplement other methods such as experiential marketing and event based marketing, rather than replacing them with social media marketing. It was found that all the thirty companies included in the study did not prefer to use social media in isolation, for marketing. Further, the study offers useful suggestions to the FMCG companies for strategic implementation of social media marketing techniques. The final conclusion arrived from this study based on the current scenario is that, social media channels act as extremely powerful tools of marketing communications in the FMCG sector, capable of improving customer behaviour influencing the sales profit of the companies.