



A STUDY ON THE IMPACT OF SOCIAL MEDIA ON FMCG MARKETING: A SHIFT FROM TRADITIONAL ADVERTISING

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Abstract:

This study looks at how the FMCG sector is moving away from traditional advertising to social media marketing. It is providing an overview of key trends, challenges and opportunities that are presented by the sector moving to this new paradigm. FMCG firms are increasingly concentrating on social media for individualized and interactive consumer interaction as consumer behavior changes and digital platforms become more popular. The study will take into account a range of topics including the growth of social commerce, data driven tactical, short form video content as well as influencer marketing. By taking upon the use of secondary data the study will attempt to measure the impact of social media on sales performance as well as customer loyalty and brand awareness. The difficulties for FMCG companies is also covered in the research such as the requirement to adapt to rapidly evolving algorithms and maintaining brand awareness online. The results show that that even though traditional advertising is still relevant the benefits of integrating strategies which make use of both traditional and digital channels are the best going forward for FMCG marketing strategy. Brands are now afforded a vast opportunity to innovate commercially as well as attract new audiences and improve overall marketing efficacy after this change.

Key Words: Social Media Marketing, FMCG Industry, Influencer Marketing, Customer Engagement, Digital Advertising, Brand Awareness.

Introduction:

“The global FMCG market is projected to grow by approximately \$456.9 billion between 2025 and 2029, with a compound annual growth rate (CAGR) of 3.2%.”^[1]

The FMCG business includes products that are priced low and that are usually in huge demand and can be purchased very easily which typically are food items, drinks, toiletries and household goods. In order to keep brands visible and ensure that customers are loyal so that the mark of the corporation is known, advertising is extremely important. In the past in order to reach such a wide audience company normally used to use television, radio advertisements, newsgroup advertisements as well as billboard advertising. This approach worked for decades as brands gained

familiarity and appeal at customers over a long period of time. However traditional marketing using the technologies of digital media has faced a number of significant stiff issues. As consumers are now spending an increased amount of time online particularly on social media sites including Facebook, Instagram, YouTube and TikTok companies shifted their marketing budgets into digital channels as a result of customers' habits. Absolute real time consumer engagement, data analytics for targeted marketing and influencer advertising in order to enhance brand legitimacy are currently made possible by use of social media advertising. A number of factors including a shift in demand with individuals wanting to know more about product personalization, a statistic where the amount television viewed by people has declined in recent decades as well as smartphone devices which are now more popular is driving the need for transition away from the traditional advertising drive towards marketing via social media outlets. In order to stay competitive in a time where customer expectations are rising due to the idea of dynamic and attractive brand experiences, FMCG companies are allocating a significant amount of investment into digital marketing.

Literature Review:

Agarwal P (2022), Comparative Study of Traditional Advertising Vis-à-Vis Digital Marketing with Reference to FMCG Products. This research focuses on the shift of traditional marketing channels that include print, television and radio, which is becoming ineffective as digital marketing which provides superior accessibility along with faster consumer engagement has become popular among consumers.^[2] India is seeing an increasing number of internet users which is fuelling the introduction of digital marketing as an important tool that can be seen used across platforms including social media ads, chat bots and video marketing. The study shows that whilst traditional media output was before relied upon for former marketing campaigns digital marketing offers precise audience targeting within real time feedback and cost-effective models which are more and more in demand in today's competitive market place.

Priya K, Jagadeesan P (2023), Effects of Social Media Marketing on Subsequent FMCG Performance.^[3] The research paper discusses how social media marketing enhances brand recognition, customer satisfaction and business performance of FMCG businesses. It highlights that



various social media platforms such as Instagram, Facebook and Twitter are in a position to communicate directly with consumers particularly in order to increase brand loyalty and drive sales through interactive marketing techniques. The study suggests that social media marketing provides businesses with access to cost effective marketing tools which will be instantaneous and will show the consumers real time metrics along with direct customer interaction which will allow for growth. While traditional marketing techniques are still credited with relevance from a vintage perspective the findings indicate that digital marketing outperforms traditional techniques in facilitating consumer purchasing behaviour which makes it a greater facilitator in the long term growth of the brand.

Dr. Prashant Kalshetti examines, the impact of social media marketing strategies employed by FMCG companies on the mindset of Generation Z.^[4] The current research finds that GenZ consumers are likely to have a positive response to multimedia ads containing videos that are visually appealing and that usually feature catchy tunes and music. These calls to action are likely to be effective in leaving a lasting impression on the audience lasting after the video has been viewed. Unique approaches such as the use of an influencer or the use of email-based robotic marketing is referred to as an effective commerce strategy for building solid relationships with customers on social media platforms. The study concludes that these marketing strategies are likely to be instrumental in attracting viewers of Generation Z, therefore encouraging their purchase decisions as well as building brand loyalty among them.

Kalshetti and Katole (2023), Investigate the influence of social media marketing strategies employed by FMCG companies on the mindset of Generation Z. The literature review emphasizes that the growing importance of digital platforms is shaping consumer behavior, by reference to it describes the increasing importance of innovative and interactive marketing strategies which are receiving increasing exposure by generation Z who is in particular places great emphasis on the need to collaborate with influencers and to release engaging multimedia content to gain the interest of the Generation Z demographic in order to create increased brand loyalty as well as purchase intent. The authors of the study intend for FMCG companies to adopt marketing strategies that will appeal to Gen Z demographic in order to compete in the digital age.

Nair T.R.G. and Subramaniam K. (2012), Transformation of Traditional Marketing Communications into Paradigms of Social Media Networking. The study looks at the shift from conventional marketing mediums of such types as television and print media to more engaging interactive broadcasting network solutions.^[6] With the buildup of digital networking businesses are placing great value on social media for facilitating real time engagement, bidirectional communication and personalized marketing strategies. The research looks at how social media is enhancing brand consumer relationships and provides cost effective marketing solutions which in turn fosters stronger influence from the

consumer base. The results from this research suggest that social media has to be blended into a business marketing strategy in order for the said platform to stay competitive and build everlasting customer relationships in what has become a constantly evolving digital space.

Research Objective:

- To study the shift of traditional advertising to social media marketing in the FMCG sector.
- To examine the key trends which are have an effect on the choice of digital marketing options.
- To find out the implications which when the change occurs will negatively or positively affect consumer behavior as well as brand engagement.
- To identify the problems that FMCG brands face in digital advertising.

Research Methodology:

This study is subject to a secondary research approach by assessing the existing literature, spending industry reports and academic research papers to determine the transition from traditional advertising to social media marketing within the FMCG sector. The methodology involves a combination of qualitative analysis of both secondary survey and data which has been sourced from credible sources including market forecasting reports and peer reviewed research articles.

This research uses a descriptive and analytical approach, which involves analysing qualitative data in order to look at the industry trends and changes in consumer expectations and behaviours. The research is not used to generate primary research data, however instead it takes synthesis from a range of hypotheses put forward in previous literature to look for understanding on the issues in the consumer behaviour and trends of the FMCG sector.

Sources of Secondary Data:

- **Industry Report:** The FMCG sector market forecast has been compiled by Technavio who supply industry insight, future trends and market trends within the industry.
- **Academic Research Papers:** Peer reviewed research papers were examined in an attempt to analyze the various aspects of the transition from traditional advertising to social media marketing.

Comparative Study of Traditional Advertising and Digital Marketing in FMCG:

Regenerate looks at the changes which take place when print and television mediums of media are replaced by digital marketing strategies:

1. *Effects of Social Media Marketing on FMCG Performance:* Discusses how digital engagement impacts brand performance and sales.^[3]
2. *Social Media Marketing Strategies and Their Influence on Generation Z:* Focuses on how FMCG brands use social media to attract younger consumers.
3. *The Impact of Social Media Marketing on Brand Loyalty in FMCG:* Explores how digital marketing efforts enhance customer retention and loyalty.
4. *Transformation of Traditional Marketing Communications into Social Media Strategies:* Analyzes the advantages of digital platforms over traditional marketing methods.

Trends and Implications in FMCG Social Media Marketing:

- **Rise of Influencer Marketing:** *Procter & Gamble's Strategy on Douyin (TikTok's counterpart):* P&G have made enhanced marketing efforts to highlight its presence on China's growing and popular shopping app called Douyin to recover its sales.^[7] The company have a relationship with influencers who in turn build campaigns that promote items such as Pantene shampoo, which leads to increased online sales.
 - **Short-Form Video Content Dominance:** *Innovative Product Launches:* Mondelez's glow-in-the-dark Sour Patch Kids follow on the notion among Gen Z viewers of unique imagery that captures audience attention, brand marketers are utilising the unique creative marketing strategies that make these Fruit Chews perfect for short form video marketing.^[8] Gen Z views are boosted through use of challenges and viral situations within the platforms of TikTok, Snapchat, and Instagram Reels who ensure that the use of AR filters is of use. This storytelling approach will increase the brand recall of the brand, grow consumer interaction and sales and mean that FMCG brands will be able to elevate their competitive presence in a digital marketplace.
 - **Personalized and Data-Driven Marketing:** *Strategies for FMCG Brands:* FMCG brands use customer data to be able to create targeted ads, to create personalized content and to make product recommendations based on user usage of the product along with what the user prefers.^[9] Social media provides analytics that enable real time optimisation of campaigns, leading to enhancement of engagement i. e. chatbots integrated with AI are used to optimize further the advertisement of the FMCG brand resulting
- in real-time optimisation of real-time engagement. These strategies improve customer retention with a positive effect on conversion and brand differentiation i.e. competitive advantage with regards to engagement in the digital marketplace.
- **Social Commerce and Direct Sales:** *Meesho's Social Commerce Model:* Meesho is an Indian social commerce platform that allows individuals and small businesses to sell their products on social media platforms such as Meesho and Facebook.^[10] It allows direct marketing of product contents without the need for traditional retail intermediaries such as wholesalers and retailers.
 - **User-Generated Content (UGC) & Community Engagement:** *The transformative role of social media in the FMCG industry:* Based on approximately 45 million consumers in India, social media platforms have become a key brand channel for FMCG companies to engage with the end consumer.^[12] The engagement is usually driven by encouraging consumers to produce and share their own information on products and thereby foster a community atmosphere which can also aid in increasing brand loyalty. FMCG companies can actively take part in social media platforms and communicate directly with their consumers' customers gather useful feedback and promote products effectively.
 - **Sustainability & Purpose-Driven Marketing:** *Eight Trends Shaping India's FMCG Industry:* The FMCG industry in India is experiencing different trends that focus on the concept of sustainability and purpose driven marketing.^[11] Brands will be looking to make use of eco-friendly packaging, promote natural ingredients using social media and also target socially responsible companies in their marketing in order to ensure that consumers with an environmental consciousness are enchanted by their products. These consumer trends are essential to shifts towards ethical consumerism where customers favor the products that provide value to them and contribute to a positive impact towards society. In the light of the changes that have taken place in the market companies are placing emphasis on transparency, sustainability and committing to a mission with a view to maximising their competitiveness in this volatile market.

Conclusions:



In a summary, traditional advertising has been steadily losing the market place to that of digital marketing in most branches of the FMCG (fast moving consumer goods) sector. As a result of the increased quality of the platforms these advertising channels have become the drivers of a historic change that changes how brands are able to communicate with their consumers.^[5] As the use of social media continues to increase the use of this tool has become one of the most prominent tools within the FMCG sector that is being promoted as one that offers interactive and personalized customer interaction. This interaction is able to provide direct brand interaction with the consumer base with no need for intermediaries. This change is being driven by the major trends of rising influencer marketing alongside data-based marketing strategies and the desire by brands to allow frequent interaction with their traditional customers base. However, these challenges have implication regarding a wider range of benefits being available as a result of the shift and apart from this however rely on innovation being able to occur for each FMCG brand in the area of brand the given German model provided. In order for this transition to occur all brands need to make use of the power of digital marketing in order to ensure the proper cohesion and method that marketing policies occur across the range of product lines. This requires that all FMCG brands employ the brand tactics that are capable of bringing the power of digital marketing to all lines of goods. This approach will more likely cause the consistent integration of all product lines in every product range of an FMCG brand.

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