

Trends in the Use of Social Media as a Tool of Marketing Communications in FMCG Sector in India

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ABSTRACT

The advent of Social Media has changed the way FMCG companies conduct their business. With nearly 45 million users in India and growing rapidly, social media's popularity is making organizations to participate in social media to communicate with their customers and also encourage sales. By some estimates, social networking now accounts for 40 percent of all time spent online in India. Nearly one in 10 Internet visits ends up at a social network; nearly one in four page views is on a social networking site, thus making social networking a lucrative option for brand managers to communicate their brand and to create a brand identity. The Indian FMCG Sector has recently started adopting social media as a tool of marketing communications along with traditional media. This paper, based on desk reviews, highlights that Indian FMCG businesses are using Social Media for brand re-positioning and developing a brand image while focusing on developing relationships with consumers rather than on merely providing information.

Keywords: Brand Identity, Fast-Moving Consumer Goods (FMCG), Marketing Communications, Re-Positioning, Social Media, Social Networking

1. INTRODUCTION

There is a rapid growth of marketing through Social Media (Kozinets et al., 2010). Over the last few years this has been discussed in several books and it has been a subject matter of interest across general media (e.g., Li and

Bernoff, 2008; Rosen, 2009). Social media marketing is considered as being trustworthy because the message spreads from user to user which proves the credibility of the message. It is basically driven by word-of-mouth and is considered much more customer centric than being company centric.

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Social media refers to “online tools where content, opinions, perspectives, insights, and media can be shared ... (and) at its core, social media is about relationships and connections between people and organizations (Nair 2011, p. 45). These tools include blogs, discussion boards, wikis, consumer product rating sites, chat rooms, and social network sites. Social network sites, allow users to create profiles on the site, to post information and share that information and communicate with other users of the site (Kaplan & Haenlein 2010).

As of July 2011, the social network site Facebook claims to have over 750 million members and in terms of activity, there are over 900 million objects that people interact with (pages, groups, events and community pages), the average user is connected to 80 community pages, groups and events, the average user creates 90 pieces of content each month and more than 30 billion pieces of content (web links, news stories, blog posts, notes, photo albums, etc.) shared each month. (Dahlen 2011). The social network site LinkedIn had over 100 million members worldwide as of July 2011 (Dahlen 2011). In April 2011, out of Facebook's 800 million active users 25 million were from India alone and Twitter, which has 106 million users worldwide, portrayed India ranked second in the traffic after the US.

Social media is changing how individuals communicate with each other. Social media is highly interactive and users share and process information with others (Aula 2010). It is also changing where and how consumers spend their time. Considering the extensive growth of Social media, companies are trying to figure out how they can make optimal utilization of Social media. Social media influences consumer purchase decisions by generating conversations and, by forming blogs and communities. In one such story, the New York Times reported that a popular blog endorsement had helped one company grow its sales from \$100,000 to \$4 million (Jared, 2006). While the consumer in the 50s sat passively in the living room watch-

ing shows interrupted with commercials, today consumers can avoid ads if they so desire. Firms, to be effective, must use various social media tools such as blogs, Twitter, chat rooms etc (Pendleton et al., 2012).

While academic research exists on individual consumers of social media there has not been adequate research on what companies are actually doing in social media. Parise et al. (2008) interviewed executives about their use of social media tools to generate some suggestions on how get the best results from social media and found that companies are using social media tools like Facebook and Twitter for their marketing communications activity. Jansen et. al. (2009) evaluated the content of posts or “tweets” on the micro-blog Twitter on corporate accounts and discovered that consumer purchases are influenced by web communications and social media. They also recommend microblogging as an opportunity for building brands and for developing relationships with customers. Colliander and Dahlen (2011) compared consumer reactions to blogs and online magazines and found that consumers exposed to information on blogs and online magazines had stronger brand attitudes and higher purchase intentions.

Indian marketers are still apprehensive about the use of social media alone as a tool of marketing communications. Indian marketers and advertisers prefer to use Internet Technology and web advertising- in a campaign's media mix only when the campaign is also run on traditional media. In seclusion, the medium is not the preferred choice for advertising (Rishi, 2011). FMCG sector in India is one of the major contributors of GDP towards the country's economy. The fast-moving consumer goods (FMCG) sector in India is the fourth largest sector in the economy. The FMCG market in India has three major segments comprising of Household care, Personal care and Food & Beverages. This sector has slowly started adopting social media as a marketing communications tool. The present study analyses and evaluates the trends in the use of Social Media as a tool

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