



Digital Marketing System after COVID-19 in Fast Moving Consumer Goods Market

Dinesh Kumar Mishra¹, Dr. Pramod Gupta²

¹Research Scholar, SunRise University-Alwar

²Research Supervisor, SunRise University-Alwar

ABSTRACT

The marketing environment throughout all sectors, especially fast-moving consumer goods (FMCG), is being revolutionized by the rise of digital media. Every FMCG product campaign has traditionally been based on the right marketing mix of the 4 Ps (Product, Pricing, Place, and Promotion) to influence the purchasing decisions of the targeted audience.

However, today's customers use a variety of factors to make their final purchase selections, which has led to the development of new methods for swaying their preferences. COVID-19 bolstered the rising popularity of online financial transactions, via mobile apps, and directly with companies.

KEYWORDS: FMCG, COVID-19, DTC, O2O.

INTRODUCTION

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Customers now spend greater time using their smartphones and laptops than watching TV, reading newspapers, or seeing billboards. Also, a growing share of shoppers prefer buying fast-moving consumer goods (FMCG) online than doing so in a traditional retail location.

As the online economy is growing fast, FMCG companies should increase their online presence with solid marketing strategies to grab the greater marketplace to compete with the mushrooming number of new entrants in the online market.

With digital marketing techniques, FMCG firms can reach out to potential customers who are actively exploring online purchases. FMCGs can increase their brand's visibility and loyalty from existing and potential customers by creating insightful content related to their products and industry.

By choosing effective digital marketing strategies such as social media management and marketing, search engine optimization, email marketing, and pay-per-click management, FMCG companies can improve the visibility of their brand, drive more sales and successfully maintain a strong foothold in the market.

OBJECTIVES OF THE STUDY

- » To know the brand awareness of FMCG categories during pandemic.
- » To study the perception of the customer towards FMCG during pandemic.
- » To analyse the factors influencing the customer, buying behavior and customer decision making process during pandemic.
- » To know the impact of FMCG during pandemic.

REVIEW OF LITERATURE

Aggarwal (2014) suggested that Consumer behaviour research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Firms can satisfy those needs only to the extent they understand their customers. The main objective of this paper is to study the demographic differences in consumers buying behaviour of persons living in Madhya Pradesh and when they buy FMCG products. To attain this objective a survey was developed and administered across some part of Madhya Pradesh. The findings confirm the factors influencing consumer buying behaviour for tooth paste brands available in the market. Dr. Kiranmor & Sulekha (2013) conducted a study to identify the factors responsible for buying behaviours of rural consumers of FMCG in Haryana. A questionnaire structure for 500 respondents and factors analysis was used to find out the factors. The study revealed that the rural consumers are not only price sensitive but also



– think about quality, performance, reliability; brand and other critical aspects, and they are highly affected by their life style and attitude.

As we all know, FMCG companies are selling the customers' daily driver products and they span across many categories (food and beverages, baked goods, processed foods, cleaning products, beauty and cosmetics, office supplies, etc), thus FMCG companies need to be everywhere to reach the mass audience. To maximize its effort, he explained it is important to keep the marketing funnel in mind and work with digital platforms as direct-to-consumer (DTC) channel. Digital platforms provide more chances for FMCG companies to sell more consumers and shift the transaction to an online system as competition for the shelves gets heavier. The breakthrough in the industry came to a realization that the transaction in digital is growing, yet the most sales is still coming offline.

Seeing this condition, we learned that the retail companies are transforming, yet at the same time the challenges remain. To overcome the challenges, Dian made a couple of points that we could learn to maximize our brands through digital marketing. Let's catch up!

Connect with the customers through O2O experience

Although transaction is increasing in digital, the customers still would look for offline stores. So brands need to think on how they could get the patrons to spend more or even bring in new customers. Here we can utilize online marketing to impact both online and offline sales. It could also enhance offline to online (O2O) experience. By delivering omnichannel marketing, brands can increase their awareness and engage with the targeted users, both online and offline.

In the midst of technological advancements where it affects users to seek out seamless shopping experiences across channels, retailers also need to rethink their strategy to reach their customers. One of the key solutions is to enrich the online to offline (O2O) experience while this effort is getting more integrated and measurable.

Utilize the connected packaging

The regular advertising media is no longer the only way to reach and retain consumers. Almost everything that the consumers use and see in their daily activities can now become media, for example, a bottle of shampoo. Brands can consider how such media can play a role in the omni-shopper world. This is where brands can leverage the power of what we call: connected packaging. Brands can incorporate unique scannable code on the product packaging and transform it into interactive media channels by stitching online-to-offline together.

This comes in 2 benefits:

1. Consumer engagement. The connected package allows brands to engage directly with the consumers and retain them with various campaigns in the online landing page. It gives brand owners a way to stand out from the noise

and interact with their targeted consumers in ways that differentiate the product offers.

2. Track and trace. A connected package makes it possible to track the product through the supply chain. Manufactures would be able to track and trace their product histories, and it is possible to monitor their market easily.

Remove the gap and distance

Scaling up e-commerce as channels has become a challenge for many FMCG companies. One of the reasons is order fulfilment. The distance of principal warehouses to consumers and variables such as weight and volume could result in high delivery cost, especially for big basket size.

Therefore, the emergence of e-commerce logistic companies that leverage technology to reduce cost plays a big role in tackling the issue. Aside from that, the local warehousing model that is adopted by many e-commerces also helps to decrease cost and increase business efficiency.

Build relationship with customers

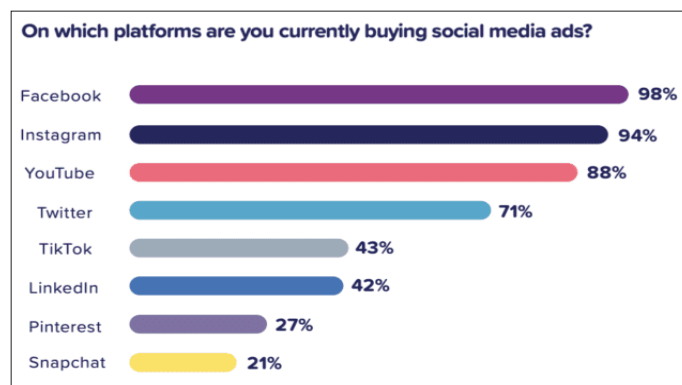
Consumers are purchasing FMCG products via retail channels, not directly with the FMCG companies themselves. Due to this, most FMCG companies will always have limited information on their own customers. Unlike many online and superapp platforms, FMCG companies have limited ways to capture online customer behaviour. They need to rely on their retail partners and 3rd parties to acquire and collect the data. Therefore some FMCG companies have started to create their own online platform so they can build direct relationships with the consumers and enable more personalized marketing.

From the discussion, we learned how digital marketing plays a crucial role in every aspect of business and industry. The role itself could ease the business challenges and remain as a solution to get closer to the customers.

Social media makes up 1/3 of all digital ad spend in 2022

So far in 2022, social media has made up 33% of global digital ad spending.

According to Smartly. Io's 2022 Social Media Advertising Report, half of the B2C marketers surveyed said they plan to spend 50 - 75% of their marketing budget on social media advertising. When asked what channels, these were the top results:



Youtube is (still) the world's 2nd most popular search engine & website

In the United States, 62% of Youtube users visit the site daily. Youtube has 2 billion logged-in users each month that consume 1 billion hours of video content daily!

It's an essential channel to target if you want to increase brand awareness. You can consider running programmatic video ads, Performance Max and Discovery Ads, which deliver ads through Youtube.

Approximately 8 out of 10 Internet users are active on at least one Meta platform every month

Meta owns some of the most popular apps, including Facebook, Instagram, WhatsApp, and Messenger. According to Statista, 3.59 billion people use one or more Meta apps every month. That's a pretty significant proportion, as there are 4.6 billion global internet users, which makes out to be around 77% of people!

Zuckerberg's got a substantial reach and hold on us, and there's no doubt they'll be shifting the internet landscape towards Web 3.0 through the metaverse.

Searches for "Promo Code for existing user" increased 100% Year-Over-Year

Google conducts keyword query analysis on a routine basis to better understand global trends. In June 2022, they found that people were preparing for "financial uncertainty." Google cites inflation and a potential recession as the reasons consumers look at ways to cut costs.

Out of the queries Google highlighted, one that jumped out to us the most was "promo code for existing users." The global search volume increased 100%! People were looking for discounts on services they already use, like DoorDash and other food delivery services.

There is an opportunity to nurture your existing customer base into repeat customers by occasionally offering discounts to them instead of just first-time offers for acquiring new customers.

Other keyword searches include:

- "Buy 1 get 1" (increased globally 60% YOY)
- "Dupe" (increased globally 40% YOY)
- "How to get a mortgage" (increased globally 100% YOY)
- "Credit card benefits"
- "Best shares to buy today"
- "Best gas mileage"
- "Prices go down"
- "Good time to buy"

Experts predict B2B traditional & digital ad spend in the United States will be even by 2023

LinkedIn is the go-to social media platform for working

professionals and boasts 830+ million members worldwide. In fact, 40% of them access it daily!

B2B businesses typically advertise through traditional media, like magazines, TV, newspapers, and directories. In 2018, traditional media took up 74.5% of the B2B ad spend in the United States.

However, with the COVID-19 pandemic causing a shift to remote, aka online, digital advertising has become crucial in B2B brands' marketing strategies in the past few years.

B2B advertisers turned to LinkedIn Ads to drive traffic, build awareness and generate high-quality leads. Now, the social platform has the largest share of B2B display ad spend in the United States, at 32.2% (or \$5.09 billion). LinkedIn ad types include:

- LinkedIn InMail
- Sponsored Content
- Lead Generation and more

In 2021, B2B traditional ad spend had dropped from 74.5% to 58%, and eMarketer predicts that by 2023, the two will be even.

Global Digital Audio Advertising Spend Grew by 58%

Digital audio, which includes music & podcast streaming, has become very popular. Digital audio (ads) was the fastest-growing segment in digital ad spend in 2021 (grew by 58%), totaling \$4.9 billion.

Spotify teamed up with Neuro-Insight to conduct a study. After comparing different forms of media (TV, social media, video, radio, etc.), they discovered that audio ads seem to activate more emotion and generate more engagement. It triggered people's long-term memory for both details and past memories.

Research showed that "93% of the brain's engagement with the content transferred directly into ad engagement as the listener moved from their music and podcasts to the ad". This led to the result of Spotify having a 19% higher brand impact than other forms of media.

Digital audio ads had higher engagement because audio streaming platforms like Spotify allows people to customize what they listen to and serve ads specifically relevant to that moment. Audio ads can be highly-personalized and interactive, and they stick with the consumers longer-what's not to love?

Men want to spend more this year by getting inspiration from Pinterest

Our Guide to Pinterest Advertising reported that the social platform had seen unprecedented growth during the pandemic (especially in 2020). That's due to people being home, looking for baking, crafting, and more DIY projects. But in 2021, their annual user base growth had slowed

to 3.1%, which means they lost about 10 million active users as pandemic lockdowns eased.

However, Pinterest is still a powerful social tool. A recent report unveiled data showing that 75% of men plan to spend more this year to “bring their goals to fruition.” Compared to 2021, men are excited for 2022: they want to make (and achieve) bigger plans, which means spending more money.

In Pinterest’s study, the top interest topics were:

- Eating better (eating out more often)
- Finding work-life balance
- Socialize more (seeing more movies, hosting parties at home)
- Spend more time with friends
- Making big purchases (buying a new car)

The common thread is spending quality time with those they care about and making 2022 a “comeback” from the pandemic.

Pinterest is a social channel that’s highly visual. Brands can actively share organic posts and run Pinterest ads to reach men at the planning stage. Brands who show up in their feed as they’re planning are more likely to be top of mind. So think about your male target audience and showcase photos or videos of your latest products.

Pinterest says that personalization is the top driver for success, and men say “*finding the right item is the #1 reason they have a successful shopping experience*”.

27% of the global online population uses voice search on mobile

Think with Google revealed that almost 30% of people use voice search on their smartphones or tablets.

In order to rank high and show up as a voice search result, SEO is important. See our blog here on how to work towards a higher ranking.

To maximize showing up in search, you need to work on website performance to rank well organically, and running PPC ads will take up even more real estate on the search results page.

40% of internet users prefer chatbots over virtual agents

Chatbots are artificial intelligence systems that allow consumers to connect with brands, typically by messaging, text, or sometimes even speech. Platforms like Facebook Messenger, WhatsApp, Hubspot etc. offer Chatbot options for brands to set up on their social media or website to answer customer inquiries and alleviate some workload off your customer service team’s plate.

They also make customer engagement easier around the clock. Chatbots can also help with marketing, service,

payment processing, and other segments. More industries will adopt chatbots, such as healthcare and retail, going forward.

Plus, chatbots collect customer data, which helps brands understand user intent better. We try to emphasize the importance of First-Party data whenever we have the chance!

SMS ads boast an open rate of 98%

Text messages don’t require an internet connection. That means brands can reach any user (who properly consented to receive communications) who has a mobile phone.

Businesses in recent years have been utilizing SMS messages to run personalized ad campaigns, notify about an order’s status or remind someone of an appointment. The open rate is a whopping 98%! Compare that to the average open rate for email marketing benchmark in 2022, which is 21.5%: it’s a stark contrast!

In a world where people are bombarded with emails and online ads, SMS ads are a cost-effective way to cut through the noise and drive visibility with high open rates.

Here are some additional statistics on SMS marketing:

- Combining SMS marketing with other channels can increase user lifetime by 76%.
- 91% of consumers interested in signing up for texts.
- SMS message delivery rates are about 98%.
- 80.5% of consumers check their text notifications within five minutes of receiving a text, highlighting the importance and versatility of SMS messages.
- Customers prefer it when their favorite brands use more than one marketing channel to engage them, highlighting the potential of SMS and email marketing campaigns.
- Through SMS marketing, you can send personalized, target messages on your terms.

CONCLUSION

During COVID-19, digitalization is massively growing in Indonesia. According to We Are Social data (2021), it is shown that internet users grew 15.5% during the outbreak. At the same time, the average daily time that internet users aged 16 to 64 spend on various media shows 8 hours 52 minutes higher than the conventional media usage. These findings show that the consumers are now spending more of their time online.

As digitalization becomes a thing, the online economy is also growing fast and it comes with high demand. This phenomena is increasing the demand for Digital Marketing roles in many companies, including GudangAda. At the Coffee Break and Learning Session, one of GudangAda’s internal events, Dian Paskalis our VP Digital Marketing shared his experiences in handling digital field and how its effect and implementation in the FMCG industry.

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