

“Consumer perception towards Integrated Marketing Communication tools in FMCG sector”

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Abstract

In today's competitive marketing environment customer preferences in fast moving consumer goods sector changes at a very fast rate due to the availability of large number of variants and also due to the increased awareness and knowledge of consumers towards the various kind of FMCG products available in the market. The major role in this entire process is played by the integrated marketing communication tools. The present study is carried out to find out the customers preferences towards various integrated marketing communication tools in FMCG sector. The research design used for the study comprises of exploratory research which is carried out by collecting primary data with the help of structured questionnaire designed to meet out the objectives of the study. The various statistical tools used for data analysis include reliability, frequency distribution and factor analysis. The results of data analysis are presented in the form of tables and graphs.

Introduction:

Products which have a quick turnover and relatively low cost are known as Fast Moving Consumer Goods (FMCG). Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products, detergents, pharmaceuticals, packaged food products, soft drinks, tissue paper, and chocolate bars. A combination of changing lifestyles, higher disposable income, greater product awareness and affordable pricing have been instrumental in changing the pattern and amount of consumer expenditure leading to robust growth of the FMCG sector. They are the products which are consumed by the consumer at a very fast rate and hence their frequency of purchase is also very high.

Integrated Marketing Communication tools refer to integrating various marketing tools such as advertising, online marketing, public relation activities, direct marketing, sales campaigns to promote brands so that similar message reaches a wider audience. Products and services are promoted by effectively integrating various brand communication tools. IMC coordinates all the promotional activities like advertising, personal selling, sales promotion, public relations and direct marketing.

To implement integrated marketing communication, it is essential for the organizations to communicate effectively with the clients. You need to know how your products or services would benefit your end-users. The more effectively you promote your brand, the more demand would it have in the market. The benefits of the brand need to be communicated effectively. IMC wraps communications around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.

The present study is carried out to understand the impact of IMC tools on the purchase of FMCG products.

Literature Review:

In order to carry on the present work, several earlier studies have been reviewed, some of which are mentioned as under:

Don e. Schultz 1997, have examined the “**Integrated Marketing Communications in U.S. Advertising Agencies: An Exploratory Study**” which reviews the development of the concept of Integrated Marketing Communications (IMC) in terms of its theoretical foundations through an exploratory study of IMC within a judgment sample of U.S. advertising agencies (total estimated billings-\$20.4 billion). The paper considers the arguments advanced from both academic and practitioner sides in relation to what IMC is and whether it offers significant value to advertising agencies and their clients in the rapidly changing communications market space leading toward the next millennium.

Bob Hartley and Dave Pickton (1999) in a study on “**Integrated marketing communications requires a new way of thinking**” noted that integrated marketing communications requires a new way of thinking. The fact that integration of marketing communications does take place is unquestionable but the degree of integration is often minimal. This paper identifies and briefly describes four reasons for the problems encountered in achieving integration; in particular, concern is expressed over the current restrictive use of marketing communications language and taxonomy. It is suggested that a useful starting point to overcoming these problems is to review how we think about integration and a new way of conceptualizing the various aspects of integrated marketing communications is proposed.

Mahesh Babaria and Mittal Dharod 2009, in a study on “**FMCG sector**” states that India’s FMCG sector is the fourth largest sector in the economy and creates employment for more than three million people in downstream activities. Its principal constituents are Household Care, Personal Care and Food & Beverages. The total FMCG market is more than Rs. 85,000 Crores. It is currently growing at double digit growth rate and is expected to maintain a high growth rate. FMCG Industry is characterized by a well established distribution network, low penetration levels, low operating cost, lower per capita consumption and intense competition between the organized and unorganized segments.

According to Olof Holm and his study “**Integrated marketing communication: from tactics to strategy**” the emergence of integrated marketing communications (IMC) has become a significant example of development in the marketing discipline. It has influenced thinking and acting among all types of companies and organizations facing the realities of competition in an open economy. Four stages of IMC have been identified, starting from tactical coordination to financial and strategic integration. However, the majority of firms are anchored in the first stages and very few have moved to a strategic level. Results show that decisions concerning IMC are rooted on the advertising agency level and have failed to appear on management level, whose communicative ability has remained insufficient, mainly due to obsolete tradition.

Camelia Mihart (2012) in his study “**Impact of Integrated Marketing Communication on Consumer Behaviour: Effects on Consumer Decision – Making Process**” studied the impact of Integrated Marketing Communication on Consumer Behaviour: Effects on Consumer Decision – Making Process. It explains that integrated marketing communication (IMC) concept is marking a constant progress from the simple coordinating of promotional tools to a complex strategic process. IMC works specifically through all the four classic elements of the marketing mix: product, price, placement and marketing communications.

Objectives:

- To study the awareness of IMC tools among sample respondents.
- To study the factors affecting the choice of IMC tools.
- To study the impact of gender and income in choosing IMC tools.
- To study the consumer perception towards IMC tools in FMCG sector.

Research methodology:

The type of the research design used for the present study involves exploratory research. Exploratory research is designed to provide a background to familiarize and to provide a background to just explore the general subject. It also increases familiarity of the researcher with the subject. The nature of data is primary as it is collected for the first time from the sample respondents using FMCG products.

Type of sampling: random sampling. Random sampling from a finite population refers to that method of sample selection which gives each possible sample combination an equal probability of being picked up and each item in the entire population to have an equal chance of being included in the sample.

Sample size: 200 respondents belonging to the age group of 20-35 years, 35-50 years and 50 years and above, having different annual income with the qualification as graduate or post graduate were taken as sample respondents for the study.

Data collection tools: Primary data is collected through Structured Questionnaire which is designed to meet the objective of the study. Questionnaire comprises of two parts, first part deals with the awareness of consumers towards IMC tools and the second part deals with the influence of IMC tools on purchase of FMCG product such as purchasing a product due to discount or sale.

Data analysis and interpretation:

For the purpose of data analysis three tools were used which are reliability test, frequency distribution and factor analysis.

Reliability test: The reliability of the instrument is tested by using Chronbach alpha method. The number of items taken in the present study are 26 and their reliability is coming to be 0 .7, thus it may be said that the reliability of the instrument used in the research is good and acceptable.

Reliability Statistics

Chronbach's alpha	No. of items
.704	26

The first part of the questionnaire which is comprised of the demographic variables and the awareness related questions are analyzed by using frequency distribution.

The findings of the analysis are mentioned as under:

1. Age group :

Age group	Frequency	Percent	Valid Percent
Valid 20-35	104	51.5	51.5
35-50	38	18.8	18.8
Above 50	60	29.7	29.7
Total	202	100.0	100.0

Table 1: Frequency distribution by age

The above table depicts that the age group 20-35 years contributes 51.6% share of the total respondents, age group above 50 contributes 30% of the total respondent and the minimum share i.e. 18% is of the age group 35-50 years. As the youth are most likely to be effected with the promotional technique used by the companies to sell FMCG products. Thus it may be observed that youth is affected maximum by the impact of various IMC tools on their buying behaviour whereas as and when the age increases, the customer usually prefers to buy the FMCG products on the basis of their past experience and usage.

2. Gender :

Gender		Frequency	Percent	Valid Percent
Valid	Male	104	51.5	51.5
	Female	98	48.5	48.5
	Total	202	100.0	100.0

Table 2 : Frequency distribution by gender

From Table 2 it is observed that male contributes 51.5% of the total respondents where as female contributes to 48.5% which is almost equal. Thus it can be concluded that different IMC tools affect the males as well as females in the same manner.

3. Income :

Income		Frequency	Percent	Valid Percent
Valid	Up to 1 lakh	76	37.6	47.2
	1-3 lakh	63	31.2	39.1
	Above 3 lakh	22	10.9	13.7
	Total	161	79.7	100.0
Missing	System	41	20.3	
Total		202	100.0	

Table 3: Frequency distribution by income

The above table 3 shows the income of 161 respondents out of 202 respondents taken for the present study. It includes low income group i.e. upto 1 lakh, Medium income group i.e. 1- 3 lakh and high income group i.e. above 3 lakh, thus it may be concluded that the low income group and medium income are most effected by the IMC tools while purchasing FMCG products as they have limited source of income so they prefer for products which have more offers and discounts where as high income group is least effected by the IMC tools as they purchase FMCG products on there preferences not according to the promotional techniques used to sell the products.

4. Qualification:

Qualification		Frequency	Percent	Valid Percent
Valid	Graduate	90	44.6	44.6
	Post graduate	112	55.4	55.4
	Total	202	100.0	100.0

Table 4: Frequency distribution by qualification

The above table denotes the qualification of the respondent among which the graduate segment which is 44.6% of the total respondent where as post graduate segment represents 55.4% of the total population which tells that the highly qualified segment is more aware and responsive towards IMC tools while purchasing FMCG products.

5. Marital status:

Marital status		Frequency	Percent	Valid Percent
Valid	Married	81	40.1	40.1
	Unmarried	121	59.9	59.9
	Total	202	100.0	100.0

Table 5: Frequency distribution by marital status

Table 5 represents the marital status of the respondent among which married segment is 40% of the total respondent where as the unmarried segment represents 60% of the total population. Thus it may be interpreted that the bachelors or the unmarried customers are more attracted towards the IMC tools while purchasing FMCG products as most of the youths also fall in this category so they are more aware about various brands and their promotional activities.

6.Awareness :

Awareness		Frequency	Percent	Valid Percent
Valid	Aware	64	31.7	31.7
	Unaware	138	68.3	68.3
	Total	202	100.0	100.0

Table 6: Frequency distribution by Awareness

From table 6 it is observed that the number of respondents who are aware about IMC tools represents 31.7% of the total respondent and the respondents who are unaware about IMC tools represent 68.3% of the total respondent. Thus the FMCG companies must put their efforts in making people aware about the IMC tools used for marketing their product.

The second part of the questionnaire is analyzed by using factor analysis. Factor analysis is a multivariate techniques which helps in data reduction. This technique helps in grouping the variables into various groups on the basis of commonness among them. After running the factor analysis it is observed that the 18 variables were grouped in 5 groups on the basis of commonness among them. These groups have been given a specific name by the researcher.

S.no	Name	Total	% of variance	Cumulative %
1	PROMOTION	6.505	36.139	36.139
2	KNOWLEDGE	2.893	16.072	52.211
3	SOCIETAL	2.650	14.724	66.935
4	PERSONAL SELLING	2.166	12.034	78.969
5	COMMUNICATION	1.495	8.304	87.273

I group PROMOTION includes these variables:

S.No.	Variables	Factor loading
1	Awareness through Radio advertising	.785
2	Awareness through Online advertising	.780
3	Coupons	.870
4	Discount	.774
5	Vouchers	.884
6	Conferences	.868
7	Free Items	.844
8	Shows And Exhibitions	.738

Group I: Promotion

Promotion is the first group formed which includes all the IMC tools which are most widely used by the FMCG companies to attract customers such as Awareness through Radio advertising, Awareness through Online advertising, Discount etc. these are the variables which mostly influence the customers. These variables are the basic and required tools of IMC thus play a major role in influence customers to purchase FMCG products.

The II group KNOWLEDGE includes these variables:

S.no.	Variables	Factor loading
1	Awareness through Press advertising	.798
2	Awareness through Billboard advertising	.798
3	Awareness through Mobile advertising	.867

Group II: Knowledge

The second group “knowledge” includes the variables providing customers information through posters, pamphlets, slogans or signs such as through hoardings, sending messages on mobile phones etc. this group attracts small number of people as the customers responding to messages and pamphlets are very less, thus this group have a less influence on customers.

The III group SOCIETAL includes these variables

S.no.	Variables	Factor loading
1	Social media marketing	.612
2	Annual reports of company	.835
3	Community Marketing	.791

Group III: Societal

Societal is the third group formed which refers to promotion on communal grounds such as marketing of FMCG product as a collective effort to attract all the customers through social media, community marketing or by issuing annual reports of the company which can influence customers to purchase FMCG products.

The IV group PERSONAL SELLING includes these variables:

S.no.	Variables	Factor loading
1	Face-to-face selling	.837
2	Voicemail Marketing	.925

Group IV: Personal selling

The fourth group formed on the basis of responses is personal selling including marketing of FMCG products on one to one basis i.e. selling or persuading customers directly to purchase the products. It includes Face-to-face selling and Voicemail marketing .These tools are effective only in selective occasions thus they have a very less influence on the purchase decision of customers.

The V group COMMUNICATION includes these variables:

S.no.	Variables	Factor loading
1	Email Marketing	.591
2	Telemarketing	.816

Group V: Communication

The last group “communication” includes email marketing and telemarketing which affects the purchasing decision of customers on a very limited ground or have a limited coverage.

Conclusion:

FMCG sector is the most competitive and growing sector as customers require these products on regular basis and their demand for FMCG products keeps on increasing, thus the companies need to promote their products so that they appear different and better from the competitor’s product. IMC tools are used by the companies to make their products popular and known to the targeted audience .use of advertisements, discounts and other marketing tools is made to sell their products. These tools play an important role while selecting an FMCG product.

The present study deals with the perception of customers towards IMC tools in FMCG sector where it can be concluded that IMC tools have a great impact on the purchase decision of FMCG products. The demographic finding of the study shows that the respondents of the age group 20-35 and having low income are more aware and responsive towards IMC tools. The factors which have a great influencing power in the study include promotion, knowledge, societal, personal selling and communication. Out of these the most important role is played by the promotion factor and least important contribution factor is named as communication. Thus it may be concluded that it is only the discount, coupons, free gifts and other promotional elements which influences and motivates a customer more to buy a particular FMCG product.

It is also observed that the IMC tools have a great scope ahead while making the choice of FMCG product amongst the customers but the marketer need to put more efforts towards increasing the awareness so that more and more people can be influenced by different kinds of IMC tools and ultimately help in increasing the sale of FMCG products.

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