

Advertisement Factors Taken Into Consideration For FMCG Sector & It's Effects On Consumer Behaviour

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ABSTRACT:

The present study is conducted to find out the effects of advertisement on consumer behaviour. Advertisement is generally use for creating awareness and promoting products. Fast Moving Consumer Goods (FMCG) are more in demand and frequently purchased by customers. The objective of this paper is to observe the advertisements affecting the choices of consumers, to find out most effective media of advertisements that people find most attractive and believable. Another aspect of this study is to understand the effects of digital video advertisements on buying behaviour of consumer. Secondary data had been collected from various publications, periodicals, journals, etc. Digital media, festive periods, celebrities, ethical values etc. are the factors considered for fluctuation in effects of advertisements on decision making of consumers.

Keywords: *Advertisements, FMCG products, consumer behaviour, digital video advertisements.*

INTRODUCTION:

Advertisements are spreading its roots all over the world in almost every sector, even the smallest product is marketed today with the help of advertisements. Advertisements are gaining its significance with time as consumers are becoming more aware, informed and are interested in knowing the product they are using so this purpose is served by the advertisements. The power of consumer is also growing with the growing technology and now consumers are empowered to choose almost everything.

FMCG industry is growing fast in India as it is the 4th largest sector in the Indian economy. Changing lifestyle, easy reach and increasing awareness are key drivers for growth of this sector. As it is a growing sector, it also brings challenges for the companies. Competition for each category product is touching the sky. FMCG are the basic requirements of people and every brand wants to give the satisfactory and delighted results to their customers, thus increasing the competition. As consumers are powerful now, the factors which are affecting the choice of consumer should be taken into account. FMCG products have short life span comparatively which is a clear indication that consumer can switch to other products in short duration. Even the companies are keeping no stone unturned to delight the customer. It is gaining high importance them to know about the perspective of their consumer. This study is trying to analysis some factors of advertisements which are responsible for choices of consumer or the most effective media of advertisements which makes people informed and aware about product.

LITERATURE REVIEW

Advertising is a significant aspect of marketing strategies. Effective advertising is necessary to get the positive corresponding demand from the customer at a profitable price. The urge for advertising is simply because of the need to sell and so it is necessary that the prospective buyers be informed. Today, advertising is wide- spread all over the world in different countries. But advertising trends vary from country to country. The turbulent environment of the 20th century, with rapid changes in technology, products, processes, methods cut throat competition and emergence of new marketing challenges only indicates the significant role of advertising, which is expected to play in the survival and growth of business units.[3]

Nagendra and Agrawal (2011) talks about the ethical and unethical advertisements and how it affects the lives of common man. An advertisement is simply a public notice meant to convey information and invite patronage or some other responses.[5] This research mainly explains unethical sides of advertising. There was a research made by them on various FMCG products for presenting the products in unethical means. Authors talk about how advertisement knowingly or unknowingly affects the people. It is seen that simple product is presented in much extra manner to attract customers and giving them false hopes. It is seen that people also trust advertisements blindly. Advertising simply mirrors the attitudes and values of the surrounding culture. No doubt advertising does act as a mirror. But, it is a mirror that helps shape the reality it reflects, and sometimes it presents a distorted image of reality [5]. As observed, unethical means in advertisements create deep impact particularly on children and old people.

Another survey performed on 30 women from Chandrapur, they were asked with the set of questions and then counted their percentage. Television advertising is a very effective tools of communicating message to its target audience as it has the ability to combine visual & audio communication and thus this makes advertisements is an important medium to make people aware of any products[6]. The data received by interviewing women it is concluded that they got information about products on television at much faster rate as compared to other sources, social and personal factors influence women more, Maximum no. of women consumers are attracted towards the marketing strategy through advertising and Maximum no. of consumers from Chandrapur city spends monthly more than 2000 rupees on purchasing FMCG products. Study done by the authors of “Impact Of Advertisement On Consumer Behaviour Of FMCG In Lahore City” Deals With The Impact Of Advertisement On Consumer Of FMCG In Lahore City. Authors have prepared a questionnaire for the sample size of 150 people in Lahore city. The main focus of the study was of toothpaste and 5 brands were for study. For analysis Chi-Square, Z test and descriptive analysis were used [7]. It was seen that the behaviour of customer was change by advertisement. The effect of television or radio is much more than the newspaper or banners.

Advertising attitude did consist of believability, trust and control dimensions. Advertisements including source are always associated with high level of attitude toward advertisement than those including only Information. Emotional Advertising Appeals have a bigger impact on explicit memory performance than implicit memory performance. The amount of emotional content in advertisement affect the viewers’ opinion of the product, high level had a positive effect and low level had no effect. Advertisers employ sensational negative emotional and message such as those used by FMCG manufacturers exploiting consumers’ fear. The advertisers frequently used the dramatic emotional ad messages design to “Shock Emotion and Brain Itch” to make advertisement more distinctive and effective. [2]

Fig 1: Graph showing the advertisement and Sales Promotion expenses of Hindustan Unilever Limited Company

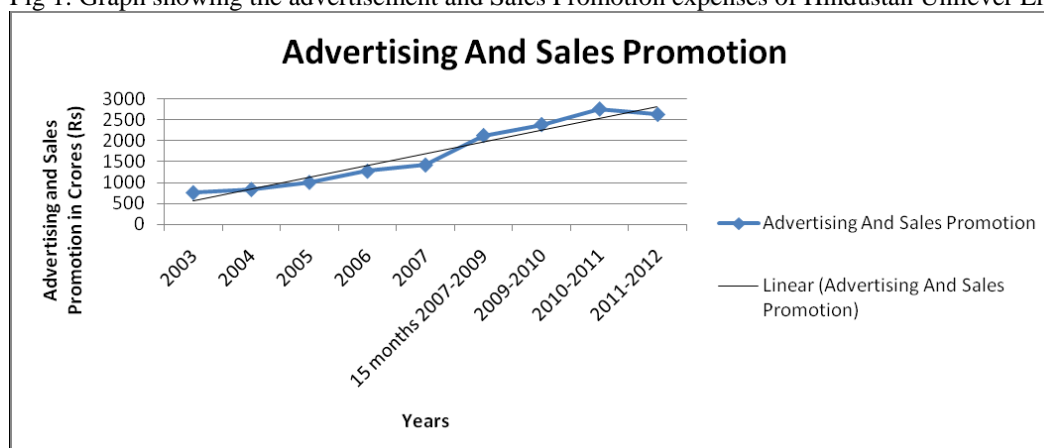
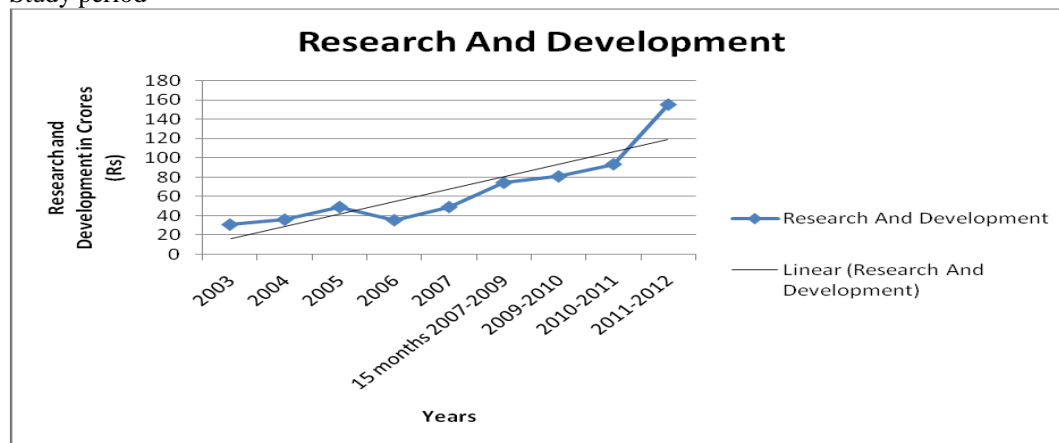


Fig 2: Graph showing the growth of Research and Development expenses of Hindustan Unilever Limited Company during the Study period



We have taken into consideration the variables like Advertisement and Sales promotion and Research and Development expenses. These two expenses are increasing over time (Fig 1 and 2) and both have the impact on the growth of sales and profit margin. But it is crystal clear from that the impact of Advertising and promotional expenses is more significant in companies to that of Capital employed or Research and Development expenses.[3]

The basic source of information for FMCG product is newspaper which is 28.3% and television 28.3%. 63% Respondents have learned about FMCG Product from media, 56.5% respondents do not say that advertisements are capturing best quality of product and 39.1% says that advertisements are capturing best quality of product. 19.6% respondents say that television is the best Method of Advertising of FMCG product For Organization. 56.5% respondents say that companies have convincing ability by advertisement. 41.3% respondents have interesting impression Of FMCG product Advertisement. 32.6% says that advertisements are only informative for them.[1]

Today advertisement has become most important form of promoting of FMCG products and if some celebrities are endorsing it then it became more fruitful and effective. Marketers invest huge amounts of money in contracts with celebrity endorsers each year, since they believe that celebrities affect the process of selling of their brands or products positively. Marketers use celebrity endorsement in order to help in easy brand recall especially during purchasing situations.[8] Celebrities in advertisements helps to grab attention of customer and also make them recall of the products. Most consumers are not in a purchasing situation when they come across different brand messages, but the use of celebrity endorsement may influence them to buy the product within month after watching the advertisement if it is endorsed by their favourite celebrities.[8]

Celebrity is fame and public attention in the media, usually applied to a person, or group of people (celebrity couple, family etc.), or occasionally, to animals or fictional entities. Celebrity status is often associated with wealth (commonly referred to as fame and fortune) and fame can often provide opportunities to make money.[4] Online ads are influencing the buying decisions of the customer because of advanced Advertisement Research Style. To increase the sales and to extend the market shares, celebrity endorsers used by marketers to influence the purchase decisions of customers.

The consumer's perspective about celebrity and non-celebrity are different. Consumers trust the brand that celebrity endorse and they can easily recall the product on the name of celebrity, so the customers mostly prefers to buy these products, while in the case of non-celebrity, if the advertisement touched the emotional sentiments of customer then only customer will be attracted to the product, for example Nescafe, has got the most of the attention of people on social media and television.

PURPOSE:

The purpose of this study is

- 1) To analyze the effects of advertisements of FMCG products on consumers.
- 2) To observe the advertisements affecting the choices of consumers.
- 3) To find out most effective media of advertisements that people find most attractive and believable.

METHODOLOGY:

The study is based on secondary data collected from various sources such as research papers, news articles, reports and other online databases.

The paper will be showing the effects of advertisements of FMCG products on consumer behaviour. It is also highlighting some parts of various mediums of advertising.

Now a days, public is more attracted towards the products which are advertised by celebrities and started behaving like those only products are best, this behaviour changing effects of advertisements we are showcasing is our research paper.

FINDINGS:

Advertising is a marketing tactic where the brand tries to reach as many people as possible by trying to make a personal connection with them. Advertising is a process of penetrating the market with premium prices, good promotional activities and marketing strategies. It is a way to promote, showcase, and letting people know about your product in short time. Advertising communication focuses more on user experiences. Catchy taglines are used to attract visitors and turn their interest towards the product to convert them to consumers. For advertising, brand uses mediums like personal selling, digital selling and word-of-mouth publicity. Advertisements are aired on television, radio and can be shown in newspapers, magazines etc.

ADS BY CELEBRITY AND NON-CELEBRITY

The celebrities have been used for advertising wide variety of brands World Wide. Non-celebrity endorsement is seemed to be more effective in changing the taste and attitude of customer towards product. Celebrity endorsement is the way to maximize advertising effectiveness. For advertising products, advertiser mainly focuses on celebrities and their popularity. Various celebrities are signing up for advertising respective products and the advertisements are done using different mediums like television advertisements, internet or print advertisements. Each consumer can determine that how impactful these advertisements are. These are the most effective advertisements used by advertisers today to promote their products.

There are two types of or forms of celebrities in advertising: celebrity license and celebrity endorsement. The celebrity license is not used very often, as it is to be a long-term, Co-branding commitment by both the corporation and the celebrity add his/her name directly to product like the contract between Nike and the greatest player of basketball all time Michael Jordan. They both together form a new brand which Nike air Jordan shoes which was a great hit in America and other part of the continent. The celebrity endorsements are widely used strategy using celebrity as a promotional tool for the product.

The consumer's perspective about celebrity and non-celebrity are different. Consumers trust the brand that celebrity endorse and they can easily recall the product on the name of celebrity, so the customers mostly prefers to buy these products, while in the case of non-celebrity, if the advertisement touched the emotional sentiments of customer then only customer will be attracted to the product, for example Nescafe, has got the most of the attention of people on social media and television.

The advertisements that are done by the celebrities has greater impact on consumer perception than advertisements done by non-celebrities.

ETHICAL ADVERTISEMENTS

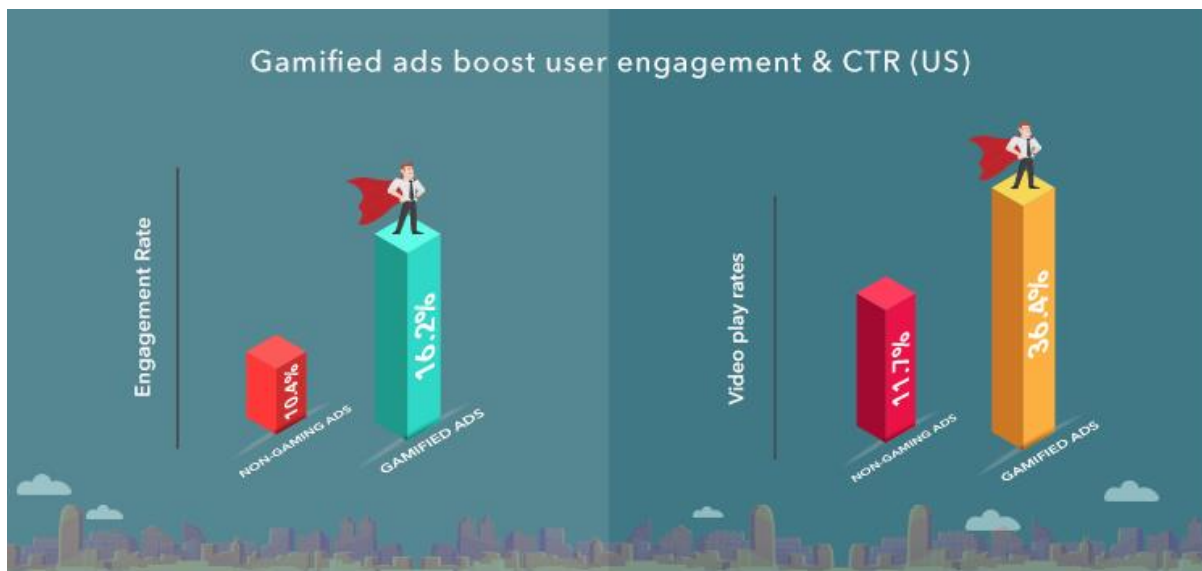
The set of standards of good behavioural principles between seller and buyer and to know the truth about your product and respecting that truth is Ethical Advertising. These advertisements do not make misleads, fake claims of goods and services. The advertising messages should consist of truth and honesty. Advertising is ethical when it is suitable and subjected to legal action with generally accepted social values. It has four components: Truth, Taste, Fairness, and Decency. Setting boundaries and freedom is important to create ethical advertisements and campaigns for advertisers. To advertise the products and services, ethical advertising must be honest and truthful with good purpose. It does not send hidden messages and agendas to people and also is clear about its motives. Ethical advertising follows the environmental standards and also respects the environment. Information must be showcased clearly and without over used colours to make customers choose right product. Content should be positive and does not exploit stereotypes.

NON-ETHICAL ADVERTISEMENTS

Promising something that you cannot deliver is unethical advertising. Unethical advertising always seeks to misrepresent the product in some way or show the message falsely which is being transmitted to fit some goal. It is unethical to sell a product by advertising false claims and information about the products to the public. Consumers make uninformed decisions because of negative effects of deceptive advertising which is mostly noticeable. Apparent guarantees that are contradicted in false warranties, serious health risks, or hidden cost involves deceptive and harmful ads. Unethical advertising is unacceptable, unfair as well as potentially costly for customers. The spreading of advertisements gets faster than ever through internet due to modern technology. These changes are possible only because of development of social media. Companies are using more unethical ways to get notices because of these changes and advertisers are facing difficulties to get people's attention. Using mass media channels, unethical advertising is misrepresenting wrong content to people. If advertising tries to damage competitor's product, showcasing false and misleading information then it is unethical. Negative emotions to viewers caused by unethical advertisements. Unethical advertisements create confusion about products among consumers, also companies has to face loss of credibility and their competitive position in market. People do unnecessary consumptions of products influencing by unethical advertisements. False representation of advertisements leads to use of unhealthy products, also creates negative publicity for the company and this impacts negatively on consumers. Consumer's expectation affects by unethical behaviour and creates negative image of the company.

FESTIVE PERIOD

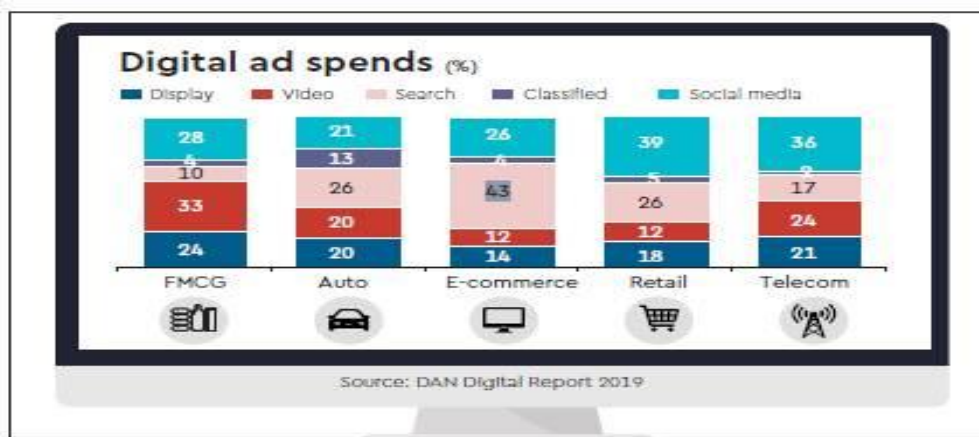
There is no best time other than festive season for any FMCG product to get highlighted and advertised. This is the peak time for any business. For FMCG products, it is similar to big bonanza. Festive season goes from October to December in India, this time most creative and festive related advertisements are being made to attract customers and they get successful at most of it. As the report of Amazon says that its sellers observed three to four fold increases in sales during festive seasons. Although there seems cut-throat competition during this period, everyone tries to make their advertisement more impressive so that people will buy their stuffs. They all try different and catchy taglines especially for such seasons. A new concept of gamification is introduced which is affective in increasing sales, latest market shows that.



Gamified ads delivered a CTR of 28.8% as compared to 3.9% CTR through Standard ads

DIGITAL VIDEO ADS

With the increasing craze of digital platforms, advertisements are also getting digital. A report says that digital video advertisements is expected to have a fastest growth with a CAGR of 37%, it is likely to reach Rs. 5545 Crore by 2021. FMCG was earlier known for its heavy spends on television but now the scenario is changing. Now strategy of advertisements depends on needs of customers and target groups. Today companies are ready to spend more money on video advertisements as they strongly believe this will really affect the customers. Video advertisements are something which pop-up in between and somehow people see it. But companies try their best to make them lucrative and attractive.



CONCLUSION:

We can conclude from our study that advertisements are highly influencing the choices of consumer for FMCG products. Advertisements by popular celebrities are creating higher impact and influencing consumer behaviour towards the particular product as compared to advertisements done by non-celebrities and others. Most of the advertisements of FMCG products are following proper code of conduct and satisfying the consumer’s needs to higher extent. This study also shows that the unethical advertisements create confusion about products among consumers, also companies has to face loss of credibility and their competitive position in market. Another aspect says that tough competition between the competitors increases in festive periods as compared to other seasons. So, every competitor tries to make their sale and advertisements effectively to impress consumer. Now a days, digital video advertisements pop-up in between and grab the attention of user and to make the user respond to that advertisement. Thus, digital platforms are gaining high importance.

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