



ISSN 2278 – 0211 (Online)

## A Study on Marketing Fast Moving Consumer Goods (FMCG)

**Shilpy Malhotra**

B. Com., M. Com., (Hons.), University of Delhi, India

**Abstract:**

The paper focuses on marketing of fast moving consumer goods. Fast moving consumer goods are generally low profit margin products and therefore sold in large quantities. Therefore, it is very important to focus on how to improve brand value for the customers as many brands are available for the same categories of products. Another area focussed in the paper is how recession affects the demand for fast moving Consumer Goods and what are the reasons for these changes. In such a situation, it becomes necessary for the producers or the companies to increase the investments in these brands and products so that consumers are attracted towards them. In order to support these observations Dove's Real Beauty Campaign has been elaborately discussed and the points which lead to the success of this campaign have been highlighted. Unilever was able to create a brand value for Dove by taking regular consumers in its advertisements rather than professionals or celebrities. Consumer women became its brand ambassadors in place of celebrities. In such a manner it was able to relate better with the consumers and public at large in various companies where it was implemented. Although it suffered from various points of criticisms, Unilever was successful in creating a brand value for its products in the minds of the consumers.

**Key words:** Fast Moving Consumer Goods, Marketing, Unilever, Dove's Real Beauty Campaign

### 1. Introduction

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, and grocery items. Though the profit margin made on FMCG products is relatively small, more so for retailers than the producers/suppliers, they are generally sold in large quantities. FMCG is probably the most classic case of low margin/high volume business. Many of the players on the retailer side such as Walmart, Carrefour are among the largest and most recognized global companies. Global leaders in the FMCG segment include Johnson & Johnson, Colgate-Palmolive, Kellogg's, Heinz, Nestlé, Unilever, Procter & Gamble, L'Oreal, The Coca-Cola Company, General Mills Inc., PepsiCo.

### 2. Marketing Fast Moving Consumer Goods

As the Fast Moving Consumer Goods are low priced and many brands and companies are involved in the manufacturing and production of same categories of products, it becomes really difficult to project a special place in the minds of the consumers. Therefore, marketers have to think of special plans and ways in which they can attract consumers towards their products even at the time of normal economic circumstances or at the time of boom in the economy. Therefore, at the time of recession, the difficulties increase even more. As we all have seen or heard about the most recent recession that has affected the world economy really badly, it became difficult for many industries to survive. Similar is the case with FMCG as well. As it is a low priced and high volume area to work upon, it became really difficult for sellers to make or increase the profit margin regarding the same. The main reason for this is that due to recession and a need to save money people prefer buying cheaper brands as compared to highly expensive ones. Due to the profit margin being lower than other industries, it becomes really difficult for these FMCG companies to sustain and survive. Brands that take a proactive stance and treat the recession as an opportunity are likely to come out of the recession stronger than before. In this article, I am trying to describe what can be done by these companies on how they can improve profits with the help of Dove's Real Beauty Campaign.

#### 2.1. Increasing Investment in Brand

In recessions, shoppers have a natural tendency to switch to private labels in order to save money. What the brand needs to concentrate on in such a scenario is either they can lower the price of their own products or they can offer something of value to the customers such that they can buy these goods even at a higher price. Due to increase in the price sensitivity during recession time, reducing the price can prove to be beneficial to a great extent.

Secondly, coming out with such ideas that can attract consumers and can make it clear in their eyes that using a particular product would offer certain benefits to them or add value more as compared to other goods or services.

Reducing the investments in brand during the time of recession weakens the equity of brands and negatively impacts on shareholder value. In sum, companies often do the wrong thing by reducing marketing expenditure despite compelling evidence that it pays to not follow the general trend of cutting back during a recession. Marketing expenses should be treated as investments that can help an organisation in building large customer base in the long run rather than being treated as an expense that is of no use to the company.

### 3. Literature Review

Dove, in order to promote their brand value at a time when it was slowly decreasing or suffering came out with a Real Beauty Campaign that presented the same product in a different manner in front of the consumers.

The Dove Campaign for Real Beauty was conceived in 2004 after market research indicated that only 2% of women consider themselves beautiful. The campaign's mission is to "to create a world where beauty is a source of confidence and not anxiety." It was created by Ogilvy & Mather Brazil. The first stage of the campaign started with a series of billboard advertisements, initially put up in the United Kingdom, and later worldwide. The advertisements showcased photographs of regular women (in place of professional models), taken by noted portrait photographer Annie Leibovitz. The ads invited passers-by to vote on whether a particular model was, for example, "Fat or Fab" or "Wrinkled or Wonderful", with the results of the votes dynamically updated and displayed on the billboard itself. Accompanying the billboard advertisements was the publication of the "Dove Report", a corporate study which Unilever intended to "[create] a new definition of beauty [which] will free women from self-doubt and encourage them to embrace their real beauty." The series received significant media coverage from talk shows, women's magazines, and mainstream news broadcasts and publications, generating media exposure which Unilever has estimated to be worth more than 30 times the paid-for media space. In April 2013, a video titled Dove Real Beauty Sketches was released as part of the campaign. It went viral attracting strong reactions from the public and media. In the video, several women describe themselves to a forensic sketch artist who cannot see his subjects. The same women are then described by strangers whom they met the previous day. The sketches are compared, with the stranger's image invariably being both more flattering and more accurate. The differences create strong reactions when shown to the women. All these factors led to the success of the Real Beauty Campaign as Dove was able to come out with an innovative idea of targeting fat women and proceeding with the marketing strategies further. It was something very new to the real world of advertising and marketing. This way it was able to increase its sales manifold. Unilever carried out the campaign step by step.

#### 3.1. The Ways in Which It Was Successful Are Given As Follows

- First, it appeals to people's rational, not just their emotions. People have stereotypical images of people who appear in the advertisements. Dove, however, speaks out against those standards in their ads, showing that appealing to be rational.
- Second, the ads engaged people emotionally because they address people's self-esteem issues. They showed that they care about how you feel and ensure that you have a positive view of yourself and that your attitude towards beauty is one that you define and not one that has been defined for you.
- Third, the ads promoted a strong sense of social awareness and good values because they are letting you know you should be standing up for something that is inherently wrong. Foregoing the supermodel and celebrity spokesperson and using diversity in the models shows that they care about everyone and are not just focused on selling a product with a pretty face.

There is a lot more to the advertisement. It is not merely an ad but an entire campaign that includes self-esteem programs, literature and discussions on their website.

Here are some insights from Dove's campaign to keep in mind:

Keep it real. Any cause marketing campaign can run the risk of appearing to exploit the very people it aims to help. Dove kept their message real by using real women in their ads and a real forensic sketch artist in the Beauty Sketches video. Previously, Dove also created real tools women can use to make a difference in the messages they see, like a Facebook app that replaces ads that prey on women's insecurities with feel-good messages. Keep it authentic. Dove's campaign was risky because you could argue that as a beauty brand they have contributed to the self-esteem problem (not to mention their parent brand, Unilever, which also owns Axe, known for misogynistic ads). But by taking on an issue close to their brand and customers they struck a chord, as evidenced by the over 4.2 million Beauty Sketches video views, over 14k Twitter shares, and 600k+ video Facebook likes and 142k Facebook page likes. Keep it humble. Instead of focusing on what Dove as a company is doing to help women improve their self-esteem (like donating to non-profits, sending a Dove spokesperson onto morning shows to talk about the campaign, etc.), Dove let the content speak for itself and told their story through the voices of the women involved in the campaign. For example, after the Beauty Sketches video went viral, two of the women who participated in the sketches appeared on the Today Show to discuss what they learned from the experience. It was based on the management concept that is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations and direct marketing work together as a unified force, rather than permitting each to work in isolation. (Hartley, 1999) Integrated Marketing Communications is a term used to describe a holistic approach to marketing communication. It aims to ensure consistency of message and the complementary use of media. The concept includes online and offline marketing channels. Online marketing channels include any e-marketing campaigns or programs, from search engine optimization (SEO), pay-per-click, and affiliate, and email, banner to latest web related channels for webinar, blog, micro-blogging, RSS, podcast, and Internet TV. Offline marketing channels are traditional print (newspaper, magazine), mail order, public relations,

industry relations, billboard, radio, and television. A company develops its integrated marketing communication programme using all the elements of the marketing mix (product, price, place, and promotion). This is the process that was developed by Dove.

The company will have the same challenges of evolving the brand without losing the existing customer base, as well as driving aggressive growth, for this mature brand. They will have to continue understanding the fact that using the average person won't sell anything. The purpose of real advertising is to create desire beyond what the product can actually deliver. In this campaign, Dove was criticized by some for choosing unrepresentative "real" women. But, it has to continue defending its own ideas and continue its advertising campaigns and stand by it.

#### 4. Conclusion

From a brand perspective, the positive aspects far outweighed the critical commentary about the campaign. The brand did run the risk of being labelled as the brand for fat girls or a mediocre beauty brand, but given the brain and money power put behind the campaign and the ability of Unilever to fine tune and augment their Real Beauty campaign based on market feedback and response, I am confident that Unilever will be able to sustain this positioning long enough to reap the planned benefits.

The communication campaign was extremely experimental as it had not been used before Dove or afterwards by any other organisation. There was a macro model communications process followed which consists of 9 elements where Dove (sender) knew what target audiences it wanted the message to be decoded. It used all the possible communication tools like media, noise, advertisements, public relations etc. in order to make this communication effective. Dove also encouraged the feedback channels from the audience via text messages, emails and interactive website in order to track the effectiveness of their communication and the image shift. It has been noted that the internet is having a huge impact on the marketing communications programs of companies. The hierarchy of effects model was used to analyse how the Web is being exploited by Dove for influencing consumers and evaluates its appropriateness and success of the campaign.

#### 5. Results

The campaign focusing on real beauty equipped with the details as explained in the report above brought the following results to Dove:

- Its sales were quadrupled depending on various regions and countries
- The company website noted a 200% increase in its traffic and consumer interactions
- In 2004 the market share increased to 13.5% compared to 7.4% in 2003
- An audit in 2005 showed significant shift in brands image and it had made its entry to the premium segment of the market
- Dove was recognized as an industry expert in beauty and cosmetics
- In 2006 Ogilvy and Mather won Grand Effie Award for carrying out this extensive marketing communication campaign which was a success

This campaign was extremely innovative and a success. There was a shift in the positioning of the organisation with its brand being recognised as leading industry expert. There was over all raise in market share and profitability of the organisation. In particular Dunleavy was involved with a couple of projects later on which helped raise the self-esteem in young girls and women giving them the knowledge of real beauty. The interactive platforms helped to gain the feedback from consumers about their campaign and products which assured them of doing the right thing. Finally, this campaign cannot be of success to any other competitor or organisation as Dove has differentiated and unique products and the light of the communication campaign was more to portray and understand real beauty which was a risk taken by Dunleavy and worked well for Dove.

In this analysis, it is concluded that the marketing communications tools of advertising, sales promotion public relations, direct marketing and word-of-mouth, have been effectively used to influence the browser at the cognitive and affective stages of response.

Therefore, whenever a company has to increase awareness of their own products specially, in case of FMCG products, it becomes necessary to create value in the minds of the consumers. This can be done by adopting different methods to project your message in the mind of the consumers. This was done by Dove by making consumers appear in their ads rather than celebrities. Consumers were made the brand ambassadors instead of celebrities.

#### 6. References

1. [http://en.wikipedia.org/wiki/Fast-moving\\_consumer\\_goods](http://en.wikipedia.org/wiki/Fast-moving_consumer_goods)
2. <http://www.ft.com/cms/s/0/a8d405c8-f2b0-11dd-abe6-0000779fd2ac.html#axzz2pRQ9eV8W>
3. <http://www.motivaction.nl/en/sectors/fast-moving-consumer-goods>
4. <http://www.nielsen.com/us/en/newswire/2011/thailand-challenges-and-opportunities-for-fast-moving-consumer-goods.html>
5. [http://pure.au.dk/portal-asb-student/files/8180/Final\\_thesis\\_1\\_\\_2\\_\\_forside\\_-\\_appendix.pdf](http://pure.au.dk/portal-asb-student/files/8180/Final_thesis_1__2__forside_-_appendix.pdf)
6. <http://www.slideshare.net/aliheydari/growth-strategies-for-fmccg>
7. <http://www.strategy-business.com/article/00081?pg=all>
8. <http://www.dove.us/social-mission/campaign-for-real-beauty.aspx>
9. [http://en.wikipedia.org/wiki/Dove\\_Campaign\\_for\\_Real\\_Beauty](http://en.wikipedia.org/wiki/Dove_Campaign_for_Real_Beauty)