



## AN EMPIRICAL RESEARCH INTO THE APPLICATION OF MARKETING COMMUNICATION CHANNELS BY RETAILERS IN FMCG SECTOR IN CHENNAI

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### Abstract

Indian retail market is a fast growing sector. Retailing consists of all the activities involved in selling goods and services directly to the final customers for their personal and non-personal use. Due to stiff competition consumers are now having liberty of choosing the retail outlet for hopping for their requirements. On the other hand, retailers are compelled to promote their retail shop by making use of different attractive strategies. They are increasing turning to marketing communication which ensures a continuous interaction between the buyers and sellers in a market place. It includes Advertising, Personal Selling, Sales Promotion, Public Relations, Direct Marketing, and Internet Marketing. This research provides insights on the various retail promotional activities undertaken by FMCG retailers to attract and retain the consumers. This research is based on primary information and data collected from Chennai.

**Keywords:** Retail, FMCG integrated marketing communication.

### Introduction

Integrated marketing communications (IMC) helps in bring about a unified and seamless brand experience for consumers across various channels. It is required to promote a brand among the end-users which would help the company in facing competitors thereby helping it to survive in the long run. Brand promotion increases awareness of products and services and which leads to an increase in sales accompanied by an increase in profits. Thus brand communication goes a long way in promoting products and services among all prospective consumers. Prospective customers are those who are most likely to make a purchase of products or services. The brand could be promoted either through advertising or sales promotion or public relation or direct marketing, personal selling or through social media. Integrated marketing communication enables all aspects of marketing mix to work together in harmony to promote a particular product or service effectively among end-users.

### Review of Literature

The literature review suggests that the theoretical framework of IMC is confused and that only a few articles have shown empirical evidence of its barriers, driving-factors and effects. Some studies have also lead to contradictory results. It is felt that perhaps this could be attributed to lack of reliable measurement research instrument. This in turn has led to the development of conceptual framework which is rather weak in content.

This has made many researchers realize the need to develop a totally different approach to have a full-fledged knowledge and understanding about integrated marketing communication. This research study is a humble attempt at trying to fill the gap at having a better understanding about integrated marketing communication.

Every business attempts to ensure that its marketing efforts end up in fully satisfying the end users. This objective is actually achieved with the help of distribution channels through which the business attempts to sell its goods and offer services. Retailers in the distribution channel buy goods in bulk and sell them to individual customers in smaller lots. Transactions entered into by retailers include sale of tangible products and offering of services such as financial services, beauty care saloons or dry cleaning.

The 1990s saw IMC becoming one of the most topical marketing issues (Percy, 1997). Moreover, it was in the 1990s that IMC emerged as a discipline (Kerr et al., 2008; Holm, 2006). Possible names that were suggested for the new discipline included integrated communications (IC), total communication and IMC with the latter emerging as the most favoured term (Kerr et al., 2008).

Since there is two-way communication involved, the retailer may hold the buyer's response to the perception of that product/marketing information; to adapt and keep this process eliminates any confusion or doubt. This process requires adaptation of choice of ways to deliver marketing communication, among which is the domination of by direct personal contact.



The buyer prefers communication tools that allow a direct and interactive exchange of information like direct mail, fairs, conferences, and visits of sales representatives (Tosun, 2003, 3; Borghini, Rinallo, 200). However, there exists limited literature that explores marketing communication in this context (Nowak, Cameron, Delorme, 1996), McArthur, Griç n, (1997), ; Low (2000), Garber, Dotson(2002) Kitchen, Schultz (2003),

The literature on marketing communications is broadly made up of a body of literature related to Integrated Marketing Communications (IMC), as firms have become interested in integrating their marketing communications for better results. IMC is one of the most debated topics in the current marketing communications literature. That literature contains a number of research studies that focus on a variety of issues. For example, Herrington et al. (1996, 61), measured attitudes and the use of integrated marketing communications in services as compared to those for non-service industries.

In India, the FMCG sector is a fast developing sector. FMCG companies have to develop unique strategies to combat competition. They have to formulate precise strategies in order to gain competitive advantage in the market place. Retail outlets usually offer a wide assortment of merchandise to enable customers make a selection.

In order to attract and tempt customers, retailers formulate pricing strategies usually modified to suit consumer's demand and type and level of prevailing competition. Integrated marketing communication requires regular and uninterrupted interaction between the buyers and s sellers in a market place. It a process of evolving an integrated set of stimuli with the intention of attracting, motivating and inducing a desirable set of response within the customers to act upon the communication message and identify new communication opportunities.

Integrated marketing communication can be thus taken as the effort of presenting a set of messages to prospective customers through a set of multiple media cues sent through various channels of media. The intention for doing this is to obtain a positive response from the market with respect to the total offerings made by the company. It also simultaneously aims to provide feed-back to the market to help it improve and change its offerings. The various forms by which such offering are made include advertising, personal selling, sales promotion, public relations, direct marketing, and internet marketing.

### Objectives

- To study the type of marketing communication channel by retailers in FMCG sector in Chennai.
- To analyse the extent to which each of the different types of integrated marketing communication is used by retailers in the FMCG sector in Chennai.

### Research Methodology

The research design adopted for this study is descriptive in nature. The respondents for the study were FMCG retailers operating in Chennai. Structured questionnaire was used to collect primary data required for the study. Random sampling technique was adopted on the ground of availability, convenience to access and level of participation. The retailers selected for the study were retailers who know the basics of integrated marketing communication concepts.

### Analysis and Findings

**Table 1: Integrated Marketing Communication Forms used by Retailers**

Marketing Communication Channel	Response in Percentage
Advertising	84%
Sales promotion	44%
Public relation and publicity	33%
Direct marketing	12%

**Note:** Total is more than 100% as respondents have indicated use of more than one channel

The above table tabulates the use of various marketing communication forms used by the retailers in FMCG sector in Chennai.. The data shows that 84% of the retailers in FMCG sector utilise advertising channel to promote their business. 44% also make use of sales promotion, 33% make use of public relations and publicity and only 12% use direct marketing technique. This proves that almost all retailers depend upon more than one marketing communication channel.



**Table 2 : Media used for Advertising by Retailers**

Media used	Response in Percentage
Newspaper	23%
Local Magazine	12%
Cable TV	4%
Leaflets	8%
Hoarding	73%

**Note: Total is more than 100% as respondents have indicated use of more than one channel**

With respect to the media in which advertising are inserted shows that the main focus of retailers is on inserting advertisements in hoarding by 73% of them above their retail shop and in their region, 23% prefer to include advertisements in Newspapers followed by 12% in local magazine, 4% advertise in local Cable TV, and 8% insert advertisements in leaflets,

**Table 3: Sales Promotion used by Retailers**

Sales Promotion	Response in Percentage
Discount	21%
Buy one get one free	4%
Coupons	7%
Point of purchase display	82%
Event sponsorship	15%
Specialty advertising	6%
Free home delivery	11%

**Note: Total is more than 100% as respondents have indicated use of more than one channel**

Some form of sales promotion is used by almost all retailers in the FMCF sector. The data shows that in 21% retailers offer discounts to promote their business, 4% offer a sales promotion scheme of buy one get one free offers, 7% offer coupons, 82% put up point of purchase display which show FMCG goods in the display shelf, 15% usually participate in local event sponsorship, specialty advertising is used by 6% of retailers and free home delivery service is offered by 11% of the retailers.

**Table 4 Public relation used by Retailers**

Public relations	Response in Percentage
Brochures	3%
Mouth To Mouth Publicity	99%
Association	4%

**Note: Total is more than 100% as respondents have indicated use of more than one channel**

Public relations is also seen in the retailers for publicising the FMCG products. 99% feel mouth to mouth publicity brings them business. 3% distribute brochures other than leaflets which includes information about their shop and management, 4% of retailers are associated with the local associations with help them publicise their retail outlet..

### Conclusion

From the responses obtained it is very clear that public relations and advertising are mostly used and preferred by FMCG retailers. Sales promotion is also favoured by them to promote their business. In India, the retailers believe that mouth to mouth publicity is important to promote their business. Hoardings (Sign Boards) are also preferred by the retails which are being place above the retail shop, nearby the shop, in market area, nearby bus stand, auto stand, mostly in crowded areas etc.

The present scenario faced by FMCG retailers is such that they have to promote and attract the consumer for which various forms of integrated marketing combination is being used by them..



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