

A Study on the Emerging Trend of Flash Sales in Online Shopping Industry

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Abstract – There is no doubt FMCG marketers face unique challenges in tying marketing efforts to sales results. Unlike verticals as distinct as apparel, electronics, and financial services, FMCG product purchases still largely occur offline, where store placement and attractive product packaging matter as much – if not more – than advertising. Moreover, FMCG advertisers typically rely on third-party retailers like Tesco, Boots, and Costco to get their products to consumers. This means the retailer, not the FMCG manufacturer, owns the direct relationship with the customer and granular product purchase data that comes with it.

In the end, while marketers in other verticals worry about the sophistication of their sales-based attribution models, FMCG marketers are still stuck measuring campaign success via proxies, such as demographic reach, view ability, and video completion rate. Consequently, marketing planning, execution, and optimization are also based on proxies, rather than insight into what actually drove product sales.

Keywords: FMCG, Product, Marketing

INTRODUCTION

If brands can find a way to link marketing activities with sales results, we will see a massive evolution in FMCG marketing. Targeting will evolve, moving from broad demographics to personalising creative to individual consumers based upon their likelihood to purchase and what they have bought in the past. By measuring what drives purchases, rather than using proxies, ad campaigns become fully accountable and brand impact can be tracked over time. Finally, campaign optimisation and budget allocation will move beyond the manual changing of the media mix post-campaign to making in-flight, automated decisions at impression level.

A number of companies have launched solutions to plug the gap in availability of FMCG purchase data, but these have limitations. Some provide only small consumer samples because data is collected at a single store. Others provide scale by collecting data from larger retailers, but there is often a geographical concentration of data based on retail store distribution.

FMCG brands need vast amounts of data in order to slice it to gain actionable insights that help them make better business decisions. They also need to be able to work at an individual customer level to create personalised experiences. Unfortunately, the data sets available simply don't provide the granularity and magnitude to do either.

First, FMCG marketers need to take greater ownership over UPC (Universal Product Code) level sales data. While utilising third-party FMCG sales attribution services, like those from Datalogix and Nielsen, are a great starting point. FMCG marketers will be best served by moving beyond heavily modelled data sets and black box attribution methodologies.

Instead, FMCG marketers should be building up their own sets of consumer-level purchase data and, ideally, storing this data within their DMP of choice. Data strategies can mirror those successfully deployed by marketers in aggregating behavioural data, starting with first-party data (brand loyalty programs and ecommerce) and filling in gaps with data from retailer partners and third-party providers that can provide un-modelled user-level purchase data, such as mobile couponing applications.

Marketers shouldn't repeat the same mistakes many made when acquiring DMP technologies – buying an expensive machine with no idea how to use it. This requires close coordination between advertisers, data owners, agencies, and technology providers, like DSPs, in order to ensure data sets are actionable and campaigns are setup appropriately for purchase-based optimisation.

Digital media is changing the landscape for marketers everywhere, especially in the FMCG sector. Traditionally, campaigns for every FMCG

product would depend upon determining the right marketing mix of the 4 P's (Product, Price, Place and Promotion) that would best influence the target audience's purchase decisions. Today, however, consumers are making buying-decisions differently and with this, strategies aimed at impacting this process need to evolve as well.

RESEARCH STUDY

Consumers now are exposed to their phone and laptop screens more than they are to traditional media like television, newspapers and billboards. There are also a growing number of consumers who prefer to shop online for FMCG products rather than visit a physical store. According to a report by Google and Bain and Co. \$11 billion, or two-thirds, of the total sales in beauty and hygiene products will be influenced through online marketing. In today's digital era, a strong digital marketing strategy is indispensable for FMCG brands.

The FMCG sector is marked by a large variety of similar products, which offer consumers a wide range to choose from. One of the biggest advantages of having an effective digital marketing strategy in place is that it helps brands create a unique brand identity. This helps consumers form a strong opinion of the brand, which will ultimately influence their purchase decision.

In traditional marketing for FMCG, the product display was considered one of the most important factors which influenced purchase decisions. Consumers are visual creatures, so the more attractive your packaging, the higher the chance of it being noticed by them. In much the same way, digital marketing for FMCG companies can be approached as a virtual shelf display. It is even more effective than a physical display because it helps you reach your specific target audience, making your overall marketing strategy more cost-effective. This enables top-of-mind awareness, which can influence purchase decisions. Like physical shelves, digital marketing also allows you to position your products contextually. Through tools like AdWords Smart Display, you can showcase your products while consumers browse through similar categories. For example, if you are a skincare brand, you can display your ads next to beauty blogs your consumers are browsing through.

One of the biggest advantages digital marketing has over traditional marketing is that it helps you track every facet of your marketing efforts. FMCG brands spend large sums on hoardings, TV commercials, print ads, radio ads and more. However, the results of these campaigns are very difficult to measure effectively. While speculative figures can be produced, there is no way to arrive at a definite conclusion.

Digital marketing, on the other hand, helps you track and measure every aspect of your campaign. With the help of analytic tools, brands can recover information about number of impressions, clicks, conversions and

more. It also lets them find out exactly which ad prompted the consumer to make the purchase. Advanced analytics can even let you gain deep consumer insights.

Offline purchases might still form the bulk of FMCG sales but the future belongs to mobile phones. Mobile phones and high speed, affordable internet have penetrated almost every section of the Indian audience. A significant portion of Indian consumers are shopping for FMCG products online through various apps and this number is only going to grow. Digital marketing trends in FMCG need to keep up with the increasing volume of customers who prefer to shop online.

DISCUSSION

For a long time, the focus of marketing strategies for FMCG brands revolved around a one-way promotion of their products. Today, however, digital marketing trends in FMCG are shifting the focus to creating user-centric content that brings actual value to consumers' lives. By creating informative content, you can drive conversation among your consumers and build strong communities. Having a solid community is crucial to developing a loyal consumer base.

Clever use of content marketing is essential because it helps establish your authority in the space. For example, Johnson & Johnson created BabyCenter.com, a website for moms to share information and engage through helpful forums. While not overtly a part of Johnson & Johnson, all ads displayed on BabyCenter.com were for the brand. This allowed Johnson & Johnson to build a strong community of moms they could tap into to sell their products. This kind of user-focused marketing is unique to digital marketing and helps brands promote their products more effectively than ever before.

Traditionally, FMCG advertisements were a one-way interaction, with brands informing consumers about their products over TV commercials, radio spots and print ads. Advertising was done mostly when there was a new product or service to promote. Buying space in traditional media is expensive and only allows for a one-way communication. This is why brands were unable to consistently engage with their consumers.

Digital media is changing all of that permanently. Digital marketing has a clear edge over traditional marketing when it comes to generating user engagement. Digital marketing trends in FMCG products are aimed towards establishing your brand as a constant presence in your consumers' lives. Through shareable content, helpful information and meaningful interaction, brands can continue to stay relevant at all times. This helps consumers recall your brand at the time of making a purchase decision.

Drip email campaigns are one of the most effective lead nurturing strategies. These automated mails can target consumers at a number of different stages, ultimately guiding them towards making a purchase. This technique can prove a very effective step in digital marketing for FMCG companies by helping influence the consumer decision making process. Automated emails which are sent when consumers abandon their shopping carts are particularly effective, because it pushes the consumer to complete the purchase. Drip emails also help you retarget consumers who have already purchased your products. Research show that consumers who have purchased your products in the past are more likely to do so again in the future.

While this may sound self-evident, not many FMCG products actually sell their products online. To this day, even if FMCG advertisements are being displayed on digital media, their marketing efforts are aimed at influencing the consumer's in-store purchase decision. But with the launch of many websites that let you purchase FMCG products online, an increasing number of consumers are beginning to shop online. In this case, even if a consumer has every intention of purchasing your product, they will choose a competitor's product if yours is unavailable online.

SIGNIFICANCE OF THE STUDY

Influencer marketing is proving to be one of the most important digital marketing trends in FMCG. Through the use of influencers, your brand can tap into their huge number of followers and increase consumer awareness of your products. Influencer marketing is also very useful for FMCG brands because consumers are more likely to believe in the credibility of your brand when an influencer whom they trust recommends it to them.

A one-size-fits-all marketing campaign is no longer effective for FMCG products. While email marketing in general keeps your consumers updated on latest products and promotions, drip emails in particular are a groundbreaking way to personalize your marketing tactics. Drip emails, also known as automated emails, are a set of emails that are sent to consumers based on a specific set of parameters. For example, there will be one email that is sent to consumers when they first sign up, one that will be sent if consumers add products to their cart but leave without completing the purchase, one that will be sent after a purchase is made and so on.

CONCLUSION

The perfect marketing mix for FMCG advertisements involves a customized combination of digital and traditional media. Developing this unique mix requires a deep understanding of your consumers. Consumers often use their phones and laptops in tandem with other forms of media. For example, they might be browsing on their laptop while watching TV or checking their phone while listening to the radio in their car. This

is why digital marketing for FMCG companies also need to develop strategies that effectively blend both these channels. With campaigns and FMCG advertisements that are spread over multiple platforms, brands can develop consumer awareness and influence purchase decisions.

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