

Marketing Strategies of FMCG companies in India: A Comparative Study

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ABSTRACT

This research paper delves into the marketing strategies of different FMCG companies in India and explores how these strategies have led to their success in the competitive Indian FMCG market. Using the traditional marketing mix (4 Ps) as a framework, the paper analyzes how FMCG companies in India use product, price, place, and promotion to create and deliver value to their customers. The research also focuses on how these companies are using brand building, digital marketing, product placement, in-store promotions, influencer marketing, and a strong focus on sustainability and corporate social responsibility as key elements in their marketing strategy. The paper analyzes case studies of successful FMCG companies in India, namely Patanjali, Hindustan Unilever Limited (HUL), and ITC Limited, to better understand their marketing strategies and the factors that have led to their success. By examining these companies, the paper illustrates how FMCG companies in India use various marketing strategies to reach and appeal to their target audiences. Additionally, the paper also discusses the effectiveness of different marketing strategies and how they vary depending on factors such as target audience, budget, market trends, and competition.

Keywords: FMCG, marketing strategies, cultural marketing, country-of-origin branding

1. INTRODUCTION

“Good marketing makes the company look smart; great marketing makes the consumer feel smart.”

Joe Chernov

The FMCG (fast-moving consumer goods) sector in India has rapidly increased over the years and is expected to cross the \$200 billion mark by 2025. Businesses have started entering the sector because of this and the increase in disposable income in rural India (Bhawan 3). Fast-moving consumer goods (FMCG) companies are responsible for producing and distributing a wide range of everyday products such as food, beverages, personal care items, and household goods. These companies rely on effective marketing strategies to remain competitive in an industry where consumers have a wide range of options and low brand loyalty. I will be using marketing scholarship, news media research, and research on cultural marketing as well as country-of-origin branding to highlight how different FMCG companies have progressed by encouraging consumers to show their patriotism by buying brands that are anti-foreign MNCs and also aligned with Hindutva nationalist values.

I will be using the examples of Patanjali Ayurved Ltd. (PAL), Hindustan Unilever Limited (HUL), and ITC Limited. Three of the biggest FMCG sector companies in India.

2. MARKETING MIX MODEL

FMCG companies use the traditional marketing mix, also known as the 4 Ps (product, price, place, and promotion), to create and deliver value to their customers.

Product: FMCG companies must ensure that their products meet the needs and wants of their target market. They do this by conducting market research and developing products that are high-quality, affordable, and offer unique features or benefits. Additionally, many FMCG companies

offer a variety of product lines that cater to different segments of the market.

Price: Pricing is a critical aspect of the marketing mix for FMCG companies. They must consider the cost of production, the target market's perceived value of the product, and the prices of competing products when setting prices. Many FMCG companies use a variety of pricing strategies, such as penetration pricing, skimming pricing, and value-based pricing.

Place: FMCG companies must also ensure that their products are easily accessible to consumers. This is typically achieved through a combination of distribution channels such as supermarkets, convenience stores, and online retailers. FMCG companies also focus on building strong relationships with retailers to ensure that their products are prominently displayed and easy to find.

Promotion: FMCG companies use a variety of promotion strategies to increase awareness and demand for their products. These include advertising, public relations, sales promotions, and personal selling. FMCG companies often use a combination of these strategies to reach different segments of the market.

Effective Marketing

Strategies Brand Building:

FMCG companies often place a strong emphasis on building a strong brand identity. By creating a recognizable and consistent brand image, FMCG companies are able to differentiate their products from those of their competitors and create a sense of trust and loyalty among consumers.

Digital Marketing:

Digital marketing has become increasingly important for FMCG companies. This includes a variety of tactics such as social media marketing, email marketing, content marketing, and search engine optimization (SEO). Digital marketing allows FMCG companies to reach a large audience at a relatively low cost and target specific segments of the market.

Product Placement:

Product placement is a form of advertising in which a product is placed in a film, television show, or other media. This allows FMCG companies to reach a large audience and create a positive association between their product and the content in which it is featured.

In-store Promotion:

FMCG companies often use in-store promotions such as discounts and displays to increase visibility and sales of their products. This is particularly effective in attracting impulse buyers and can also be used to promote new products or clearance items.

Influencer Marketing:

Influencer marketing is a form of marketing in which a company partners with an individual who has a significant following on social media. The influencer promotes the company's products to their followers, which can be a highly effective way to reach a targeted audience.

3. INDIVIDUAL ANALYSIS

3.1 Patanjali

Patanjali Ayurved Ltd. is one of the leading fast-moving consumer goods (FMCG) companies in India. The company was founded in 2006 by Baba Ramdev, a popular yoga guru and Ayurveda expert. Patanjali's mission is to provide high-quality, natural, and Ayurvedic products at affordable prices. The company's product portfolio includes a wide range of items such as food, personal care, and home care products.

Patanjali's marketing strategy is based on the principles of Swadeshi and Vedic values. The company heavily relies on Baba Ramdev's immense popularity and trust among the Indian population. This targeted approach helps Patanjali establish a strong association between its products and build on the trusted image of Baba Ramdev as a yoga guru and advocate of healthy living.

In addition to influencer marketing, Patanjali's

marketing strategy includes strategic product placement and brand identity. Patanjali's product placement and brand identity predominantly cater to rural and bottom-of-the-pyramid customers. By aligning its marketing efforts with rural customers, Patanjali has successfully created a strong brand identity centered around affordability, health-consciousness, and Indian traditional values. Patanjali is able to achieve this through its strong presence in rural areas, where it has a network of Patanjali Chikitsalayas and Arogya Kendras to sell its products.

Patanjali's advertisement and campaign strategy further demonstrate its evolution into a health-conscious FMCG company and its success in capturing a significant market share. For instance, the "Swadeshi ka swabhimani" campaign showcases Patanjali's entry into the textile industry, aligning with the "Made in India" trend and emphasizing the importance of self-reliance. Appealing to the country-of-origin approach to branding that most Indian FMCG companies have seemed to utilize. Another notable campaign, "Healthy India banaenge, Patanjali biscuit khaenge," positions Patanjali biscuits as a healthier alternative to other brands, tapping into the growing concern about obesity and sugary food consumption among the target audience.

By implementing these marketing strategies, Patanjali has been able to establish a unique brand identity, engage with its target audience effectively, and achieve significant success in the FMCG market in India.

3.2 Hindustan Unilever Limited

Hindustan Unilever Limited (HUL) is one of the leading fast-moving consumer goods (FMCG) companies in India. It is a subsidiary of Unilever, a global consumer goods company with a strong presence in over 190 countries. HUL was established in 1933 and has since grown to become a major player in the Indian FMCG market with a wide range of products in categories such as personal care, food and beverages, home care, and water purifiers.

HUL's marketing strategy is centered around building strong brand identities for its products.

The company has a portfolio of well-known brands such as Dove, Lipton, Surf Excel, Pepsodent, and many more. By creating a recognizable and consistent brand image, HUL is able to differentiate its products from those of its competitors and create a sense of trust and loyalty among consumers.

HUL has also placed a strong emphasis on digital marketing. The company uses a variety of digital marketing tactics, such as social media marketing, email marketing, content marketing, and search engine optimization (SEO), to reach a large audience at a relatively low cost and to target specific segments of the market. They also use influencer marketing, where they partner with individuals who have a significant following on social media to promote their products to their followers.

HUL also invests heavily in advertising and public relations. The company uses a variety of promotion strategies to increase awareness and demand for its products. These include television and print advertising, billboards, and sponsorships of events and causes. The company also uses sales promotions and personal selling to reach consumers at the point of purchase.

In terms of branding, Unilever, the parent company of HUL, maintains strict guidelines and uses consistent logos, designs, philosophies, and messages across its brand portfolio. The company's advertising campaigns are executed through various mediums, including print, radio, television, point-of-sale materials, retailers, and distributors. Unilever's focus is shifting towards modern platforms like social media, recognizing the opportunity to engage with consumers on a global scale and provide an omni-channel communication experience.

3.3 ITC Limited

ITC Limited is a diversified conglomerate based in India with a presence in FMCG, hotels, paperboard and packaging, agribusiness, and information technology. The company was founded in 1910 as the Imperial Tobacco Company of India Limited and has since

transformed into a diversified business group with a strong emphasis on sustainability and corporate social responsibility.

In the FMCG sector, ITC has a strong presence in the fast-moving consumer goods market in India with a wide range of products such as packaged foods, personal care products, and lifestyle products. The company's FMCG portfolio includes brands such as Aashirvaad, Sunfeast, Bingo!, Yippee!, Candyman, and Vivel. ITC's FMCG business is divided into three segments: food, personal care, and cigarettes.

ITC Limited is a brand that uses a complete marketing approach to attract consumers and turn them into prospective clients. The organization utilizes segmentation, targeting, and positioning methods to cater to the multiple demands of distinct market segments. ITC Limited divides demographic and psychographic groups according to geographical regions, examining details such as income level, gender, age, location, and behavior.

ITC's distribution strategy involves utilizing its own channels to reach customers across India. Its products are made accessible through carried and forward agents who distribute directly or indirectly - often through small wholesalers and dealers. The aim is to ensure availability, whether in urban or remote areas, reaching wholesale distributors as well as retailers all over the nation.

ITC's target audience encompasses a wide age range, from 5 to 60 years, offering products such as Candyman, Mint-o, and Aashirvaad, among others. Additionally, ITC serves various companies in the business-to-business market, including ITC Infotech in the IT sector and ITC Hotels in the hospitality sector. This broad target audience allows ITC to diversify its product offerings and cater to a wide range of consumer needs.

ITC has launched marketing campaigns to increase brand awareness on social media platforms, with initiatives like the "#proudly Indian" campaign that highlights their commitment to making in India and connecting

with the local community. Additionally, the "#Sab Saath Badhein" campaign showcases ITC's dedication to sustainable and inclusive growth through a series of television commercials.

ITC's digital marketing strategy is strong and effective. The company has a significant presence on popular social media platforms like Facebook, Instagram, and Twitter. Its active engagement in the market via these platforms has contributed to its success in digital marketing overall.

ITC's distribution strategy involves direct engagement with wholesale distributors and small retailers to ensure product availability in remote areas. Furthermore, ITC's emphasis on sustainability and inclusivity sets it apart, as seen in their "#Sab Saath Badhein" campaign..

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