

Comparing the Effectiveness of Digital and Traditional Advertising in International FMCG Markets

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ABSTRACT

The rise of digital advertising has transformed the marketing landscape, particularly in international markets where consumer behavior varies widely. This study examines the effectiveness of digital versus traditional advertising in the Fast-Moving Consumer Goods (FMCG) sector across global markets. Using a comparative analysis, it evaluates the impact of digital strategies such as social media marketing, influencer collaborations, and programmatic advertising against traditional methods like television, radio, and print media. The study explores how consumer engagement, brand awareness, and sales performance differ across diverse cultural and economic environments. Additionally, it investigates the challenges FMCG brands face in balancing these approaches, considering cost-effectiveness, audience targeting, and adaptability. The findings offer insights into optimal advertising strategies for FMCG companies operating in international markets, recommending a hybrid approach for maximum reach and impact.

Keywords: Digital Advertising, Traditional Advertising, FMCG (Fast-Moving Consumer Goods), International Markets, Consumer Behavior, Consumer Engagement, Brand Awareness, Sales Performance, Audience Targeting, Adaptability, Hybrid Advertising Strategy

INTRODUCTION

The FMCG sector is a cornerstone of the global economy, offering essential and affordable items such as packaged foods, beverages, personal care products, and household essentials. Due to the high frequency of purchases and continuous consumer demand, these products maintain a strong market presence.

Characterized by large-scale distribution and high product turnover, the FMCG industry sustains substantial revenue despite low profit margins per unit. Companies invest heavily in branding, advertising, and logistics to ensure wide availability and strong consumer engagement. Innovations in e-commerce and digital marketing have reshaped the sector, providing consumers with greater access and more personalized shopping experiences.

As consumer preferences evolve and sustainability becomes a priority, FMCG companies are presented with new challenges and opportunities. Increased disposable income and lifestyle changes are also driving demand, encouraging the industry to adapt with more efficient and consumer-centric strategies

METHODS OF ADVERTISING

Advertising in the FMCG sector is broadly divided into traditional and digital methods:

- **Digital Advertising** involves promoting products through websites, social media, search engines, and mobile apps. It enables precise targeting, real-time interaction, and measurable results. Tools include PPC, video ads, and influencer marketing.
- **Traditional Advertising** uses offline channels such as TV, radio, newspapers, billboards, and direct mail. These have been used for decades to build brand recognition through mass communication, especially in areas with limited digital access.

Both advertising forms play a vital role, and companies must develop strategies that balance global integration with local relevance..

STATEMENT OF THE PROBLEM

FMCG companies face challenges in selecting the most effective advertising methods in international markets due to varying cultural, economic, and technological contexts. While digital advertising provides cost-effective personalization and targeting, traditional advertising remains influential, especially in emerging markets. This study analyzes the effectiveness of both approaches to aid strategic decision-making.

NEED FOR THE STUDY

The study focuses on how different advertising strategies impact consumer behavior in the FMCG sector. Understanding these effects is critical for optimizing marketing investments and enhancing brand visibility. Through an analysis of current trends and techniques, the study helps businesses allocate resources more strategically to maximize reach and profitability.

OBJECTIVES OF THE STUDY

- To evaluate the impact of digital and traditional advertising on brand awareness, trust, and consumer buying behavior.
- To examine how advertising modes influence consumer behavior.

METHODOLOGY

Data was collected from respondents using questionnaires. Both open-ended and closed-ended questions were employed to assess the comparative effectiveness of digital and traditional advertising strategies in the FMCG sector. Simple Random Sampling was used to ensure unbiased data collection. For the purpose of the study, the following statistical tools were applied.

ANOVA is used to compare means across multiple groups to check if differences are statistically significant. It determines whether variations are due to actual differences or random chance.

Correlation This measures the strength and direction of the relationship between two continuous variables. It ranges from -1 to 1, indicating negative, positive, or no correlation.

REVIEW OF LITERATURE

Korenkova, M., Maros, M., Levicky, M., & Fila, M. (2020). highlighted the importance of effective social media advertising strategies, considering factors like time, money, form, and efficiency, to enhance market sustainability. success in creating brand value through regular consumer involvement and using women as brand ambassadors. **Arunprakash, Kanna, A. G., Raj, A. G., & Vasudevan, R. (2021).** investigated the effectiveness and efficiency of digital marketing, revealing significant market potential and customer response, indicating high return on investment compared to traditional methods. **Nandy, M., & Roy, S. S. (2022).** explored Parle-G, a household biscuit brand in India, from 1982 to 2021, highlighting its transition from traditional to digital marketing strategies, aiming to establish digital connections with consumers and promote its biscuit brand in emerging economies. **Rahul, M., & Varsha, P. S. (2023).** explored the influence of social media on customers' decision-making for FMCG products, focusing on online shoppers' motivations and attitudes. **Chowdhury, S. A. (2024).** explored the challenges and opportunities of digital marketing in the FMCG sector, suggesting that companies should develop internal digital capabilities through training, recruitment, and collaboration.

DATA ANALYSIS AND INTERPRETATION

1.IMPACT OF DIGITAL AND TRADITIONAL ADVERTISING ON BRAND AWARENESS, TRUST AND CONSUMER BUYING BEHAVIOUR

Null Hypothesis (H₀): There is no significant difference in brand awareness, trust, and consumer's buying behavior between digital and traditional advertising in the FMCG sector.

Alternate Hypothesis (H₁): There is a significant difference in brand awareness, trust, and consumer's buying behavior between digital and traditional advertising in the FMCG sector.

TABLE 1.1

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Brand Awareness	5.511	1	152	.020
trustworthiness	23.265	1	152	.000
Influence on Purchase decision	.326	1	152	.569
Information detail	.319	1	152	.573

TABLE 1.2

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Brand Awareness	Between Groups	1.725	1	1.725	7.466	.007
	Within Groups	35.113	152	.231		
	Total	36.838	153			
trustworthiness	Between Groups	1.603	1	1.603	6.722	.010
	Within Groups	36.248	152	.238		
	Total	37.851	153			
Influence on Purchase decision	Between Groups	2.806	1	2.806	12.169	.001
	Within Groups	35.045	152	.231		
	Total	37.851	153			
Information detail	Between Groups	1.959	1	1.959	8.187	.005
	Within Groups	36.378	152	.239		
	Total	38.338	153			

(Source: Primary data)

The ANOVA results indicate significant differences in the impact of **digital and traditional advertising** on **brand awareness, trustworthiness, influence on purchase decision, and information detail**. The **p-values (Sig.)** for all four **dependent variables are below 0.05** (Brand Awareness = 0.007, Trustworthiness = 0.010, Influence on Purchase Decision = 0.001, and Information Detail = 0.005), suggesting that the type of advertisement significantly affects these consumer perception metrics. The **F-values are relatively high**, indicating strong variation between digital and traditional advertising effectiveness.

Since the **p-values are less than 0.05**, we **reject the null hypothesis**, which assumes that there is no significant difference between digital and traditional advertising in influencing these consumer-related factors.

- **Brand Awareness:** Traditional Ad (1.55) > Digital Ad (1.32)
- **Trustworthiness:** Traditional Ad (1.71) > Digital Ad (1.50)
- **Influence on Purchase Decision:** Traditional Ad (1.83) > Digital Ad (1.34)
- **Information Detail:** Traditional Ad (1.63) > Digital Ad (1.39)

2. DIGITAL ADVERTISING AND PURCHASE BEHAVIOR IN THE FMCG SECTOR

TABLE 1.3

		Correlations	
		Digital Advertisements	Purchase of the product after seeing digital ad
Digital Advertisements	Pearson Correlation	1	.196*
	Sig. (2-tailed)		.015
	N	154	154
Purchase of the product after seeing digital ad	Pearson Correlation	.196*	1
	Sig. (2-tailed)	.015	
	N	154	154

*. Correlation is significant at the 0.05 level (2-tailed).

(Source: Primary Data)

Table Value:

Pearson Correlation (r): 0.196 Significance (p-value): 0.015 sig at 0.05 level

The correlation between **digital advertisements and purchase behavior** ($r = 0.196$, $p = 0.015$) indicates a **weak positive relationship**. Since the p-value is **less than 0.05**, the correlation is **statistically significant**, meaning digital ads do influence purchases, but the effect is **relatively small**.

3. TRADITIONAL ADVERTISING AND PURCHASE BEHAVIOUR IN THE FMCG SECTOR

TABLE 1.4

Correlations			
		Purchase of product after seeing traditional a	Traditional Advertisements
Purchase of product after seeing traditional a	Pearson Correlation	1	.325**
	Sig. (2-tailed)		.000
	N	154	154
Traditional Advertisements	Pearson Correlation	.325**	1
	Sig. (2-tailed)	.000	
	N	154	154

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: Primary Data)

Table Value:

Pearson Correlation (r): 0.325 Significance (p-value): 0.000 sig at 0.01 level

The correlation analysis between **traditional advertisements and the purchase of a product** after seeing a traditional ad shows a **moderate positive correlation (0.325, $p = 0.000$)**, meaning traditional ads have a stronger influence on consumer purchases compared to digital ads.

TABLE 1.5

Table Comparing the Correlation of Digital vs. Traditional Advertising Impact on User's Buying Behavior

Correlation	Digital Advertisements → Purchase Decision	Traditional Advertisements → Purchase Decision
Pearson Correlation (r)	0.196 (Weak Positive)	0.325 (Moderate Positive)
Significance (p-value)	0.015 (Significant at 0.05 level)	0.000 (Highly significant at 0.01 level)

- ❖ Traditional advertising has a stronger impact on purchase decisions (0.325) compared to digital advertising (0.196).
- ❖ Both correlations are positive and statistically significant, meaning both advertising types influence consumer purchases, but to different extents.
- ❖ Traditional ads appear to be more persuasive in converting consumer interest into actual purchases, while digital ads play a weaker role in direct purchase influence.
- ❖ Digital ads still influence purchases but at a weaker level, suggesting they work better as a supporting tool rather than a primary driver.

FINDINGS

Traditional advertising has a greater impact than digital advertising on all four key consumer perception factors—brand awareness, trustworthiness, influence on purchase decisions, and information detail. Consumers perceive traditional ads as more trustworthy and informative, which makes them more influential in shaping purchasing decisions. While digital advertising remains relevant, especially for its targeting and engagement capabilities, traditional media continues to be more effective in building strong brand credibility and driving consumer response in the FMCG sector. Both correlations are positive and statistically significant, confirming that each type of advertising influences consumer behavior to some extent. Traditional ads are more persuasive, converting interest into purchases due to credibility and reach, while digital advertising supports awareness and engagement, not driving purchase decisions.

RECOMMENDATIONS AND CONCLUSION

FMCG companies should continue using traditional advertising methods like TV, print, and radio for brand storytelling and emotional connection with consumers. Digital advertising, on the other hand, has a weaker direct impact on purchases but excels in engaging consumers through platforms like Instagram and Facebook. Businesses should focus on interactive digital content, influencer collaborations, and real-time social media engagement to build stronger consumer connections. A combined advertising strategy that integrates both traditional and digital methods can enhance trust and reach. Companies should increase transparency through verified reviews, expert endorsements, and real-life testimonials, while also including behind-the-scenes content and product certifications to enhance digital credibility. A data-driven approach, including A/B testing for digital ads and post-campaign reviews for traditional media, can refine messaging and improve ROI.

The case study on digital vs. traditional advertising in the FMCG sector reveals the advantages and limitations of both approaches. Traditional advertising, primarily through television, radio, and print media, is effective for building brand credibility and consumer trust in regions with lower digital penetration. Digital advertising, on the other hand, offers precise targeting, cost efficiency, and real-time consumer interaction through social media, search engines, and influencer collaborations. For FMCG brands expanding internationally, an integrated advertising strategy combining both methods is essential, leveraging digital tools for tech-savvy consumers in developed markets and traditional media for dominant regions.

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