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## **Role of BTL Marketing in the FMCG Sector**

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**Swetha. R**

**Data and Decisions**

**Department of management studies**

**PES University**

**Guide: Deepika KS**

**Assistant professor**

**Department of management studies**

**PES University**

**Abstract:**

This research focuses on how below-the-line marketing plays an important role in increasing consumer purchases at the store and retail outlet level of the fast-moving consumer goods sector. consumer packaged goods or Fast-Moving Consumer goods (FMCG) sector is a highly competitive market with the quick sale of goods and low-profit margin. BTL marketing strategies have become progressively vital and intended for businesses to reach the customer successfully. Below-the-line marketing involves direct dealings with customers through promotions, events, and sponsorships and can help build brand loyalty, drive sales. This research aims to examine the impact of BTL marketing on consumer purchase behaviour at the store and retail outlet levels. This study will use quantitative methods to analyse consumer data and examine the effectiveness of BTL marketing strategies in increasing sales and brand loyalty. The conclusions of this research will provide an understanding of the role of BTL marketing in the FMCG industry and help the company progress with effective marketing strategies to influence consumers at the point of sale.

**Keywords:** Fast-moving consumer goods, Below-the-Line marketing, Consumer buying behaviour, Retail outlet.

## Introduction:

### Fast Moving Consumer Goods sector:

Fast moving consumer goods sector is the fourth-largest sector in India, FMCG sector is the major contributor to the economy of India employing more than 10 million people and also contributes 10% to the gross domestic product of India. Fast moving consumer goods or consumer packaged goods sector is a highly competitive market because of the presence of accomplished players in the market such as Hindustan Unilever Limited (HUL), Bajaj Consumer Care Ltd, Britannia Industries Food & Beverages, Colgate Palmolive, Dabur India etc, and these companies produce both durable and non-durable products such as food and drinks, personal health care products and home care products. India's domestic and personal care is the foremost section, accounting for 50% of the overall market. Because of the prevailing high competition in the market, The FMCG companies and retail industry established new and innovative strategies to approach the customer to provide information about the product and its availability in the market to create brand loyalty. Some of the important strategies that are adopted by the FMCG sector are multi-branding, flankers, development and adaptation of new product lines and expansion of its distribution network. Companies also focused on strengthening their E-commerce engagement in the market because the FMCG sector has experienced significant growth in recent years, driven by factors such as rising population, increasing urbanization, and changes in the behaviour of the consumer. E-commerce helps the manufacturer of the product and retailer to analyse the sales and effectiveness of sales campaigns on the sales of the products. According to the report IBEF (INDIA Brand Equity Foundation), The market is expected to reach US\$ 220 billion by 2025. E-commerce share of total FMCG sales is expected to increase by 11% by 2030 (FAST MOVING CONSUMER GOODS (FMCG), 2022).

### Below-the-line marketing:

Below-the-line marketing is a type of business strategy where the producer and retailer aim to create a direct and personal connection with the customer. Below-the-line marketing is an activity that includes sales promotion, direct mail to customers, sponsorships and in-store promotions so it can be called experiential marketing. Below-the-line targets a selected group of customers rather than targeting a large number of people via billboards, T.V, radio, newspapers etc, it involves evaluating the specific needs and preferences of the target customer. With the rise of digital technology, BTL marketing has become even more important as companies can now target consumers through social media, mobile devices, and other digital channels.

In conclusion, below-the-line marketing plays an important role in consumer purchases at the store and retail outlet by using targeted communication strategies such as in-store displays, promotions, events, and experiential marketing, companies can create a more personalized and engaging shopping experience for consumers.

#### Literature review:

This research paper is the study of how below-the-line marketing boosts sales in in-store and retail outlets and how BTL marketing influences the consumer to buy the products in in-store and retail outlets. “Fast Moving Consumer Goods are inexpensive products that require little shopping effort. These are non-durable products which are sold in packaged forms. These products are purchased by the end-consumer in small quantities and frequently” (Ramanand, 2016). “Fast Moving Consumer Goods are low priced and many brands and companies are involved in the manufacturing and production of the same categories of products, it becomes really difficult to project a special place in the minds of the consumers” (Dhanalakshmi, 2018). In summary, BTL marketing helps to create brand awareness and brand loyalty.

Below-the-line advertising has its advantages. Often known as direct marketing, BTL ads are created to reach to a specific target audience and use direct mail, phone, event sponsorships, and in-store advertisements. Various point-of-sale promotions like coupons, and free samples are used to get the customers to react to the ad instantly and give a very high ROI. These types of advertisements can be tailor-made and act as good rescues for local brands and companies with limited advertisement budgets. Because of its capacity to reach to a specific target audience, BTL promotions are easily tracked, and controlled and returns can be measured. Personal selling and door-to-door selling are also some types of BTL marketing. Dominos, Swiggy are excellent in BTL advertising where the companies send offers, discounts to specific target customers and more coupons are sent to those who purchase frequently” Nandi, S. (2021). Emergence of TTL marketing, Demarcation between ATL & BTL marketing. Market Express). The FMCG industry in India is being driven by various factors, such as the increasing affluence and consumption appetite of the Indian consumer, a growing youth population, rising per capita expenditure, and heightened brand consciousness. On the supply side, the sector is benefiting from easier import of materials and technology, reduced barriers to entry for foreign players, new product development, rapid real estate infrastructure development, and improved supply chain efficiency (2016\_11\$thumbimg102\_Nov\_2016, n.d.).

#### Research methodology:

The objective of this research is to examine the below-the-line (BTL) marketing strategies play an important role in increasing consumer purchases at the store and retail outlet level of the fast-moving consumer goods sector, the influence of BTL marketing strategies on consumer buying behaviour and also in increasing sales and brand loyalty in FMCG sector. The primary data is collected through questioner method by sending online forms and emails. The quantitative data collected will be analysed using statistical tools such as correlation analysis, regression analysis and hypothesis testing. These tests are performed to test the relationship between BTL marketing strategies and consumer buying behaviour.

#### Results and discussion:

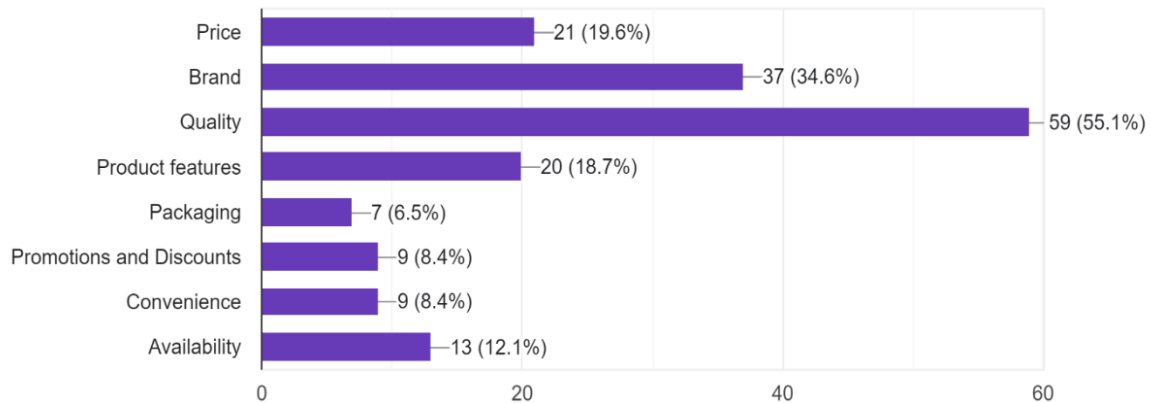
In this study, we aimed to analyse how below-the-line marketing plays an important role in increasing consumer purchases at the store and retail outlet level of the fast-moving consumer goods sector and consumer purchasing behaviour in the FMCG sector. A sample of 100 respondents was selected and a structured questionnaire was used to collect the data.

As shown in below bar chart some factor influences the buying behaviour and purchase choice of the consumers as follows, price of the product, brand, quality, product features, packaging of the product, convenience and availability of product at the store, promotions and discounts that offered by the FMCG companies to increase sales. According to the survey as the bar chart shows that the consumer's priority is

the quality of the product (55%) and other factors that influence consumer behaviour is brand (35%), price of the product (20%) and features of the product (19%).

What factors influence your purchase decision?

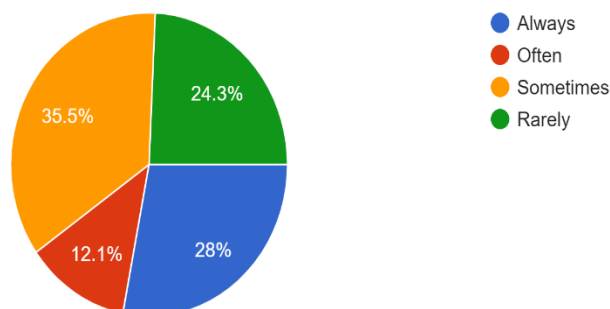
107 responses



- ❖ My understanding from the responses that I got from the survey conducted through the primary questionnaire method, as the pie chart shows that 28% of the consumers will participate in in-store promotions, 35.5% of the consumer will participate in in-store promotions on some occasions, 24.3% of consumers will rarely participate in in-store promotional activities that conducted by the fast-moving consumer goods producers and retailers.

How often do you participate in in-store-promotions?

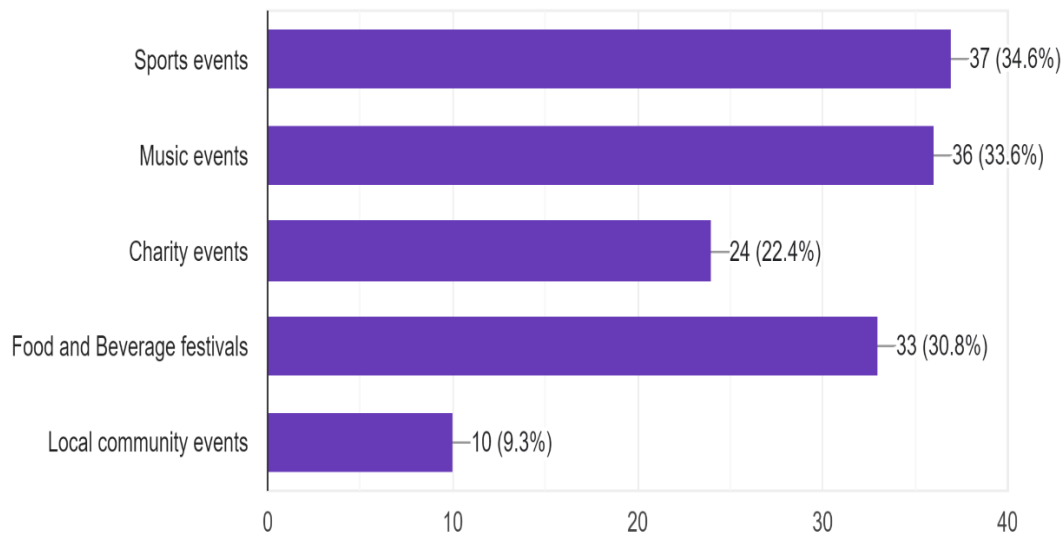
107 responses



- ❖ As shown in below bar chart, the consumers are interested in sponsorship activities like sports events (35%), music events (34%), food and beverage festivals (31%) and charity events (23%). Sponsorship activity is a method of Below-the-line marketing strategy to increase consumer purchases at the retail outlet level and to create brand loyalty.

What type of sponsorship activities appeal to you the most?

107 responses



#### Research hypothesis and findings:

To test the hypothesis "FMCG is a sector where BTL marketing plays a huge role in increasing consumer purchase at the store and retail outlet level", we can perform a chi-square test on the data collected from a questionnaire and online survey method. We will test the association between two categorical variables - BTL marketing strategies and their influence on purchase decisions.

Null hypothesis: There is no association between BTL marketing strategies and their influence on purchase decisions.

Alternative hypothesis: There is an association between BTL marketing strategies and their influence on purchase decisions.

We can use a significance level of 0.05 for this test.

First, we can create a contingency table for data:

	Strongly influence	Somewhat influence	total
In-store promotions	49	32	81
Product demonstration	40	25	65
Direct mail campaign	15	30	45
Sponsorship activities	60	30	90
Social media interaction	45	25	70
	209	142	351

Next, we can calculate the expected frequency for each cell:

	Strongly influence	Somewhat influence	total
In-store promotions	48.23076923	32.76923077	81
Product demonstration	38.7037037	26.2962963	65
Direct mail campaign	26.79487179	18.20512821	45
Sponsorship activities	53.58974359	36.41025641	90
Social media interaction	41.68091168	28.31908832	70
total	209	142	351

We can now calculate the chi-square statistic:

$$\chi^2 = \sum (O - E)^2 / E$$

where O is the observed frequency and E is the expected frequency.

	Strongly influence	Somewhat influence	total
In-store promotions	0.0123	0.018	0.0303
Product demonstration	0.0436	0.063	0.1066
Direct mail campaign	5.188	7.65	12.838
Sponsorship activities	0.77	1.12	1.89
Social media interaction	0.26	0.39	0.65
total	6.2739	9.241	15.51

Using a chi-square Excel (formula =CHIDST.TEST(ACTUAL RANGE, EXPECTED RANGE)), we get a chi-square value of with 15.51 with 4 degrees of freedom. The P-value of the chi-square test is 0.003736

Thus, the p-value is less than 0.05, which means we can reject the null hypothesis and conclude that there is a significant association between BTL marketing strategies and their influence on purchase decisions.

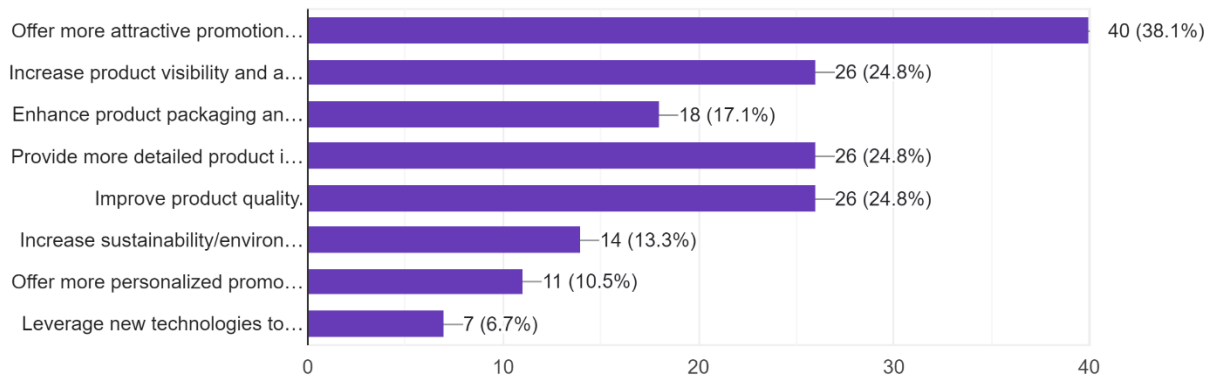
Therefore, we can conclude that BTL marketing plays a significant role in influencing purchase decisions in the FMCG sector.

Suggestions:

As the bar line shows below diagram that the FMCG and RETAILERS should offer more attractive promotions and discounts, increase the visibility of the products in the stores, should provide more detailed information about the product and quality is the important factor that drives purchasing behaviour of the consumer they should focus the quality of the product these suggestions are the results of a survey that BTL marketing strategies to better and influence the consumer purchase decision.

What improvements would you suggest for BTL marketing strategies to better engage and influence your purchase decisions?

105 responses



## Conclusion:

In conclusion, the research conducted on the impact of below-the-line (BTL) marketing strategies on consumer behaviour and brand loyalty in the FMCG sector provides valuable insights into the effectiveness of these strategies in increasing consumer purchase and brand loyalty at the store and retail outlet level. Additionally, the most effective BTL marketing strategy for increasing brand loyalty varies among consumers. These findings suggest that FMCG companies can benefit from adapting their BTL marketing strategies to the preferences of their target audience, to increase brand loyalty and consumer purchase. Overall, this research underscores the importance of BTL marketing strategies in the FMCG sector and provides valuable information for FMCG companies seeking to increase their sales and brand loyalty.

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