

## Interactive Communication Channels and Their Appropriateness for the FMCG Business

\* *A. Munir Dad*

*The School of Business and Management, University of Gloucestershire, Cheltenham, United Kingdom*

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**ABSTRACT: Purpose:** The aim and objective of this report is to identify the benefits of interactive communication channels and to advise the FMCG business on how these new methods are better than the conventional methods.

**Design/ Methodology/Approach:** In this research article facts about advertisement and its effectiveness were collected from different surveys conducted by various agencies. Mainly secondary data is used for this research. The present conceptual paper also demonstrates the previous literature and findings.

**Findings:** For FMCG business, Interactive communication channels are far better than traditional methods and they create brand awareness and brand differentiation among other FMCG brands. Although traditional methods have their own advantages but their effectiveness could not be measured, while it is possible in case of modern methods of advertisements. Moreover, people are becoming more accustomed to modern methods due to advancements of technologies.

**Research implications/limitations:** This research will provide guidelines to managers and policy makers of FMCGs Corporations on effective use of all types of communication channels to increase their sales. This research has various limitations. It is only conducted on secondary data. To fill this gap future research can be conducted on primary basis. Only few formats of communication were discussed in this paper. More advanced formats (e.g. Enhanced Text) could be explored in future research by specifying any region or circumstances.

**Originality/value:** Considering the previous literature on advertisement and communication channels, this research study provides the conceptual comparative analysis of traditional channels of communication and Modern tools of communication for selling of any product particularly FMCGs products. This study depicts the usefulness of modern technological tools in today's world in both retail and FMCGs businesses.

**Keywords:** Fast Moving Consumer Goods (FMCG), Communication/Advertisement channels, Interactive communication channels, Traditional methods of communication, Comparative analysis between new and old channels of communication

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### INTRODUCTION

Communication is very important element of the business as Fill (2005) argued that in business effective communication is the guarantee of success; however, there are many different channels of communication for example TV, Radio, Newspaper, internet, SMS, etc (Danaher and Rossiter, 2011). In the modern world

Technology has been developed and this development of the technology has invented new methods of communication which have dramatically changed the consumer behaviour as well as all the business structure. Many businesses have already started using new methods of communication, but FMCG industry

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\*Corresponding Author, Email: [aasimmunir@hotmail.com](mailto:aasimmunir@hotmail.com)

is still not using new methods of technology as IAB (2008) argued that in UK FMCG business had only 2.5% share in the online advertising market. However, it is using traditional methods very frequently. Whereas Fill (2006) argued that today these new methods are essential for success of every business as internet has decreased the market share of the traditional channels like newspaper and magazine. Today people are spending more time on internet and online activities; similarly online shopping trend has also been increased rapidly whereas on the other hand traditional channels are not that effective to fulfil all the requirements (Speck and Elliot, 1997). Therefore, FMCG business should also start using these new communication channels. Communication channels are used for the persuading the customers. And with the effective communication sales could be enhanced or new product could be launched in the market successfully. As Durden (2010) tells the story about the Munch Bunch which is a fruit flavoured yogurt and it was losing its sales from UK's market and it came on number 4th between 2006 and 2008 ;however, company took its position back only within one year by effective communication strategy. Moreover, Durden (2010) tells that company started a communication strategy on TV program in which company targeted mums and kids and told them about the benefits of fruits and calcium for kids and then presented Munch Bunch that it has got all the ingredients by which your kids could have good health. Furthermore, through effective communication strategy company increased its sale by 21.7% and profit by 74%.

Companies also use communication strategies for improving their brand image or for brand repositioning as it is discussed by European Association of Communications Agencies that how successfully Coca-Cola protected its image as people started thinking about it is very conservative brand and it is not appealing to youngsters (Silver Winner, 2004). Coca-Cola used TV, Radio and Print media in different regions of the world in which they showed that after drinking Coca-Cola, any boring moment could be converted into a joyful moment. This campaign really worked and brand got more response rate and increase in sales by 57 million units more .There are many communication channels which marketers use

for promoting their products and according to Danaher and Rossiter (2011) today marketing managers have to face diverse choice of media however they (Danaher and Rossiter, 2011) discussed many communication channels, and compared the new channels (Internet, blogs and txt messages etc) with the traditional communication channels (television, door to door marketing and direct postal mails, etc).

#### **Literature Review FMCG and Communication**

Along with many other definitions of Fast Moving Consumer Goods, Menke (2007) argued that, Fast Moving Consumer Goods are those goods which have very low prices and are manufactured at Low cost as well; however, they are produced in high volume and it is aimed to achieve high profit through economies of scale. Furthermore, according to Cox (2003) FMCG can also be called Consumer Packaged Goods.

According to many researchers FMCG includes those products which are low involvement products and consumers don't take much time on decision making process before purchasing them likewise, Bulmer (1998) defined the range of FMCG products from cosmetics to households. However Francis (2006) argued that development in FMCG product is just a development in already developed products so marketers do not need to invest high budget on research therefore they have low cost and in result marketers are able to market them (FMCG products) at low prices.

Kotler and Keller (2009), likewise, argued that FMCG's product range can be classified in to tangible and non tangible goods/products and these are low involvement products that is why people don't put much effort before purchasing them and these products are often being purchased by the consumers very frequently without spending time on decision making process. In supporting this idea Kotler and Keller (2009) argued that Fast Moving Consumer Good can also be classified as convenience goods and these convenience goods are further divided into three categories i.e. : (1)Impulse Goods, (2)Staples Goods And (3)Emergency Goods.

If consumer behaviour is discussed regarding purchase related to FMCG product then it is clear that FMCG products have got less degree

of involvement similarly, Moffett et al (2002) argued that in FMCG industry there are too many products which are substitute or alternative to each other and competition is too high and product differentiation is very low. Therefore consumers usually don't make decisions on the basis of brand differentiation but they purchase habitually. Kotler and Keller (2009) argued that in FMCG industry consumer usually do not make purchase on the basis of brand differentiation of a product but they do purchase on the basis of differentiation between the stores' brands. Kotler and Keller (2009) further argued that purchase is not being made because of brand loyalty but on the basis of consumers' habit. Likewise Fill (2005) supported this concept and argued that because of consumers' low involvement, while purchasing FMCG products, proposed risk is also very low.

According to Duncan and Moriarty (1998) communication is called as a human activity through which relationships are built and they called communication a core activity but not only in the field of marketing. Furthermore, Fill (2005) argued that marketing communication is way or a medium through which an organization engage with its customers. Likewise, Chantrey (2000) argued communication channels are the different ways or means through which companies can communicate and persuade customers likewise, Mohr and Nevin (1990) argues that in marketing communication channels are used for the transmission of persuasive information from brand owners to the customers.

Communication channels are used for the persuading the customers. And with the effective communication sales could be enhanced or new product could be launched in the market successfully. As Durden (2010) tells the story about the Munch Bunch which is a fruit flavoured yogurt and it was losing its sales from UK's market and it came on number 4th between 2006 and 2008 however company took its position back only within one year by effective communication strategy. Moreover Durden (2010) tells that company started a communication strategy on TV program in which company targeted mums and kids and told them about the benefits of fruits and calcium for kids and then presented Munch Bunch that it has

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As products in FMCG industry are being purchased habitually and consumers do not take much time on making purchase decision therefore, Fill (2006) argued that marketing communication plays very important role in creating brand differentiation especially when there is no difference between the core products. Furthermore, Fill (2006) quoted the example of mineral water Perrier and Highland Spring that these two brands are different but core product (Mineral Water) is same, so consumer perceives the same benefits from both brands but with the help of effective marketing communication strategy consumers' brand loyalty and emotional attachment can be gain. According to Fill (2005) brand is being kept within evoked set of brands and evoked set of brand mean the whole range of brand which is being under considered by consumers while making purchase decision.

Moreover, Fill (2005) stated that the promotional messages should be shorter for FMCG products because these products have got low user involvement that is why consumers are

not interested in getting much information; therefore, message should be emotional and shorter than those products which have high involvement.

#### Traditional Communication Channels

According to Bezjian-Avery (1998) the usage of old communication channels has been decreased because of emergence of new electronic media channels. However there are many traditional communication channels which were being used by marketers and some of them are still being used successfully.

Limitations of the given figure 1 channels have been discussed below in the context of FMCG Industry.

#### Limitations of Traditional Communication Channels

According to Pfeiffer and Zinnbauer (2010) advertising has seen the greatest lost in the history from last few years however, they argued that the new communication channels are going to have high growth rate in future. According to Menke (2007) traditional communication channels played very effective role whereas, now in this interactive era they are not able to fulfil all the needs and requirements of the customers and marketers.

Speck and Elliot (1997) argued that people do not really like to watch advertisements especially during any interesting program and that really cause irritation for the target consumers and they argued that most of the people just turn off the pages of the newspaper where there are advertisements and on TV switching ratio of channels is so high. Likewise, Menke (2007) specifically talking about FMCG industry argued that it is not easy for the companies to get the information about target people who watch the advertisement and who just switch the channels.

Furthermore, Springer (2007) divided the old and new communication channels in to the category of Push and Pull media and He categorised traditional channels in to push media and argued that they were usually less focused and were used for mass communication furthermore they have less response rate as compare to new channels (pull media). Menke (2007) also argued that traditional channels are one-sided and usually push strategy is needed. Moffett et al (2002) argued that selling is not important but consumer need base marketing has got more importance. Therefore, Menke (2007) concluded that these traditional communication channels only focus for increasing sale instead of fulfilling customers' needs.

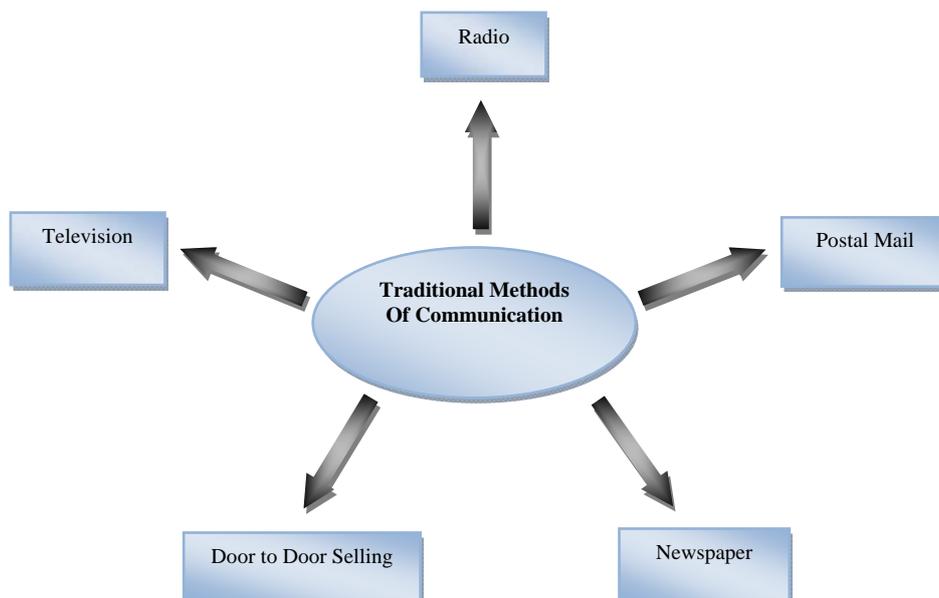


Figure 1: Traditional communication channels

### **New Methods of Technology and Their Appropriateness for the FMCG Business Internet and Online Business**

According to Cerf (1997) cited in Doren et al. (2000) internet was developed by US Defence Advanced Research Projects Agency after the second world war in 1960s' and the main purpose was to communicate on continuous bases within the Army units.

Doren et al. (2000) argued that internet was not being used publically for a long time because of its highly sensitive purpose of development. However, Frost and Strauss (1998) discussed that the social and technological developments especially the creation of World Wide Web (WWW), browsers and other applications created a huge interest for the usage of internet in both public and private sectors. Similarly, Hoffman and Novak (1996) said that the Web is working as a latest channel of communication and it has all potentials to perform the marketing functions.

Moreover, according to Stewart and Zhao (2000) surely the internet commerce is growing very rapidly and it is changing the pattern and methods of business in many different ways whereas, it has larger market share in Business to Business rather than business to consumer. Furthermore, in general, the internet usage is increasing every year by people individually and a research shows that it is known that 55.2% people in UK use home computers just because of internet (Key Note UK Internet Market, 2009).

Chaffey (2010) discussed that online shopping is growing very rapidly however tourism is the biggest online industry. Figure 2 shows that in year 2008 in UK the usage of internet

(E-commerce perspective) for tourism was highest and it was 63% whereas, internet banking was following with 49% ;however, usage ratio of internet for selling goods or services was lowest and it was 19% (Key Note UK Internet Market, 2009).

Moreover, Chaffey (2010) argued that people yet does not prefer to purchase grocery online however, most of the industries are coming online because of its cost effectiveness.

While concluding this part it can be argued that with the rapid development in internet industry marketers have found many new

interactive methods of communication with the consumers which are highly time and cost effective. According to Menke (2007) the main reason of rapid growth in online expenditures is the huge development of broadband and consumers' great response and interest towards its usage.

According to Edelman (2007) this digital development is changing all the media and its forms by creating the difference between old and new methods. Cauberghe and Pelsmacker (2011) discussed this convergence and argued that new digital technology made the users able to interact with the TV through using remote control. Chaffey et al (2009) said that these new interactive methods made two way communications possible and these methods could be used by companies for having interaction with their consumers, for example Nestle, a FMCG company, is using their website for having communication with their users and through this process company is able to have more access over information about consumers and their needs.

In addition, Fill (2005), as mentioned above, argued that FMCG products are purchased on habitual basis and it has very low user involvement but on the other side, Chaffey et al (2009) argued that these new interactive methods of communication can create customised interaction between consumer and company, so these new interactive methods could be very useful for FMCG business. Danaher and Rossiter (2011) purported that internet technology and email are playing very important role in our daily lives and they have become necessary part of our lives. Furthermore, this technological development has created wide range of new communication channels and marketing managers have got too many choices for communication with their consumers (Danaher and Rossiter, 2011).

Springer (2007) said that pull strategy is being used for these new interactive methods of communication rather than push strategy. However, Meffert (2000) argued that there are some methods of interactive communication which are form of push strategy e.g. Banners, Pop-up windows and E-mails are forms of push strategy communication. As mentioned above, with the internet and technological development, now marketers have got new communication

channels to communicate with their consumers. These new interactive communication channels are far better than conventional channels and they can fulfil the needs of both businesses and consumers' social and technological requirements

(Chaffey et al, 2009). These new communication channels, their backgrounds and how they can be used appropriately by FMCG industry are discussed below briefly and are represented in figure 3 at the end of this paper.

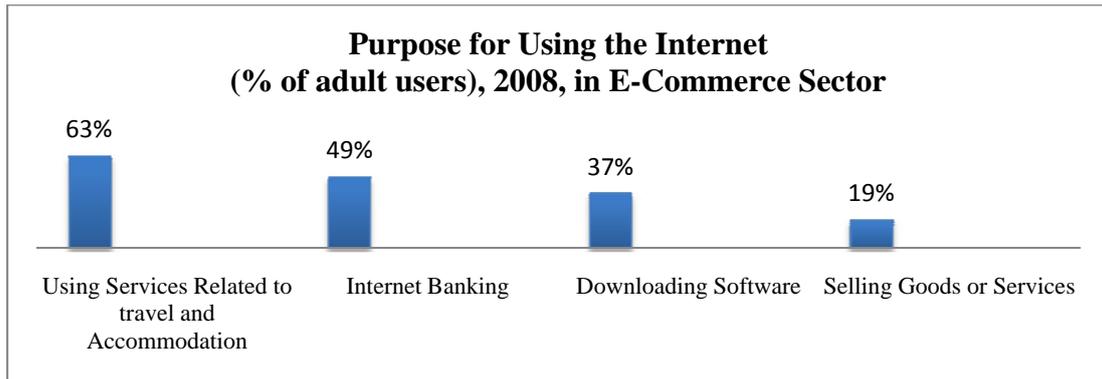


Figure 2: The usage of Internet in UK in 2008  
Source: Key Note UK Internet Market (2009)

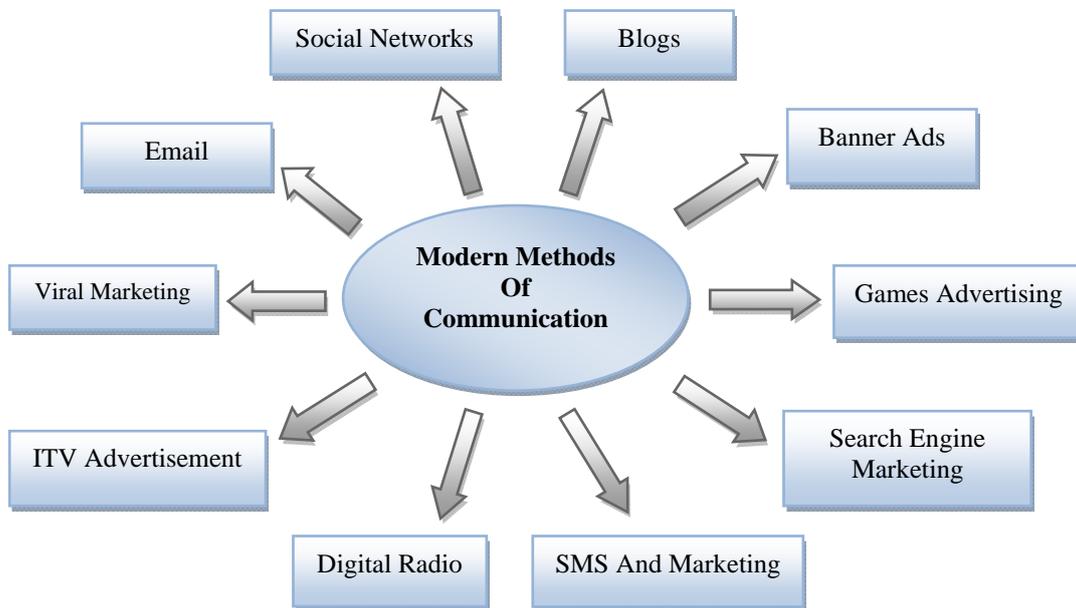


Figure 3: Modern Methods of Communication

**Social Networks:** Chaffey et al (2009) stated that social network sites are also called community sites and they are the best source of interaction between consumer to consumer (c2c). The typical communication methods on social networks include posting comments, sending messages, chatting with online friends, sharing videos and tagging and rating specific contents (Chaffey et al, 2009).

According to Vogt and Knapman (2008) famous social network sites include Facebook, Orkut, Beebo, Linked In and MySpace; furthermore, these social networks are divided into two categories which are Open and Closed networks. Vogt and Knapman (2008) described that Open Networks are those in which any one can connect with any one e.g. Facebook, Orkut and MySpace. Webb and Burgoyne (2009) stated that according to the research by TNS USA Study in year 2007 people are asked about where they would prefer to spend their 15 minutes if they are free then in the response 17% of the people liked to do activities on their social networks, and this choice was rated highest among other options.

The given figure 4 shows that consumers' interest for social network sites is increasing day by day and the users are growing very rapidly and people are spending more and more of their free time on social media, as consumers are going online so marketers also need to go online.

Moreover, social networks are changing the consumers' behaviour and today the way consumer perceives brand image is different than yesterday. Many big brands are using social networks to keep themselves in touch with their consumers and through these SNS (Social Network Sites) companies also get to know the consumers' needs and new market trends. According to ANA Magazine (2010) McDonald also started using social networks and this will create more brand loyalty among its fans.

**Banner Ads:** According to Pashupati and Lee (2003) banner ad is one of the most effective and prominent among other forms of internet advertising. Vurro (2010) described that banner ads create attraction for the internet users to click on them and this click leads them to the further details of the product or service. Furthermore, Pashupati and Lee (2003) argued that sometimes manufacturers, for banner

advertisement, are being charged as per click made by user and sometimes they are charged for fix duration of time. Furthermore, Vurro (2010) stated that according to 70% of internet users, banner ads are considered as effective source of advertisement however, Vurro (2010) argued that the effectiveness of banner ad depends on its programming. This idea is supported by Chaffey (2010) and he argued that static banners are less effective than flashing banners and users click ratio is higher for flashing banners rather than static banners.

According to Wysocka and Hand (2007) large banner ads are more effective than smaller and they have more potential to have click on them however, Schumann and Thorson (2007) argued that banners are not effective only when they are being clicked but even without being clicked they create brand awareness and positive attitude of users towards the brand. According to Key Note Internet Advertising (2009) banner advertisement is one of the largest segments of the display advertising market and in year 2008 4.9 billion U.S dollars were generated through banner advertisement which was 21% of total revenue generated from all formats of internet advertising in US. As products, their benefits, features and functions can be demonstrated through online banners so that banner advertisement can work as an effective advertisement channel for FMCG industry.

**E-mail:** O'Brien and Jones (1995) argued that customer loyalty can be gained by having regular and good relationship with them. Therefore, Merisavo and Raulas (2004) stated that brand loyalty increases surely by e-mail marketing because it makes possible for marketers to keep in touch with their customers at very low cost.

Reichheld and Schefter (2000) discussed that marketers should use e-mail as a tool for marketing and communication and they should retain customers on internet rather than just attracting them. Merisavo and Raulas (2004) argued that though e-mail marketing has a power to maintain the brand loyalty but this tool was being ignored by marketers for a so long time before the notice of Reichheld and Schefter in year 2000. Neuborne (2008) argued that day by day marketers are increasing investment into e-mail marketing, furthermore, Neuborne, 2008

stated that according to Direct Marketing Association (DMA) 600 million U.S dollars were spent on e-mail marketing in year 2008 however, it will be more than 1.1 billion U.S dollars by 2012. On the other hand Danaher and Rossiter (2011) argued that e-mail is the main reason for the decreasing share of direct postal mails.

According to Davis (2002) there are several characteristics of e-mail which make it attractive to marketers for communication. Those characteristics are:

- ✓ E-mail can be created, sent and received in a very short period of time
- ✓ Through e-mail cost per message is very low up to 0.01\$
- ✓ It is considered as a 'quick response' tool because normally people response back within 48 hours.
- ✓ It has got 'high response' rate
- ✓ And it can be fully personalized according to one's need and want.

Usually receiver make decision, on the basis of header and senders address of the e-mail, that whether to delete it or to read it therefore Fill (2005) argued that this part of the e-mail should be well considered before sending it. According to Menke (2007) the basic purpose of e-mail marketing in business is to create an interaction between the company and consumer so in FMCG business it is very essential to be careful about who is going to receive the e-mail because if it is sent to any irrelevant person then it would be ignored and company will just bear a cost.

**Blogs:** Schumann and Thorson (2007) defined that blogs are the short form of the web blog which are also called internet diaries and they are written by internet users and it contains videos, posts and audios etc. As now it is confirmed to the marketers that consumers are the greater source of influencing to each other and on internet it is being done through blogs and other social media like Facebook and MySpace etc (Padmanabhan, 2008).

**Short Messaging Service and Marketing:** Short Messaging Service (SMS) generally called 'texting' is another form of e-mail but it creates communication between mobile phones rather than personal computers (Chaffey et al, 2009). Cheng et al (2009) argued that it is too fast

communication service and it delivers with in a very short time. Cheng et al (2009) mentioned some of the benefits of SMS marketing and they are:

- ✓ High speed text message delivery
- ✓ Interactivity
- ✓ More customer reach (Mass communication)
- ✓ And response rate for SMS is five times more than direct postal mail.

Dickinger et al. (2004) argued that SMS marketing is very much cost effective and the only cost which company has to bear is the cost of purchasing phone numbers which normally goes up to 30 U.S dollars for 1000 phone numbers however this cost seems very minor after the SMS reaches to its exact target customer. Furthermore, Menke (2007) argued that mobile phone technology is developing very rapidly and because of this great increase in the number of mobile users marketers have got more opportunity to use this channel effectively for the communication. According to Fill (2005) FMCG industry can get benefits from this SMS service as it is same as e-mail and likewise sales promotion and brand awareness can be created by using mobile marketing. Furthermore, mobile coupons for price discount can be sent through SMS for generating sales promotion (Carter, 2004).

**Search Engine Marketing:** According to Chaffey et al (2009) Search Engine Marketing (SEM) is another form of new methods of communication in which companies do advertisement of their products or brands on the search engines. Moreover, Churchill (2005) argued that search engines are working as a source of good fortune for the marketers and through advertisements on search engines marketers are enhancing their Return on Investment (ROI).

Search Engine Marketing is also known as Keyword Search Advertising. According to Wu et al. (2011) search engine marketing starts working when consumers write the keyword in search engine and in the search result they find clients' advertisement which often shown on the top or side of the page. Furthermore, client is being charged only when user clicks on that shown advertisement however, sometimes it becomes the disadvantage of search engine

marketing because consumer might click on the keyword without being understanding the web page (Wu et al., 2011).

According to Churchill (2005) there are certain advantages of search engine marketing which are: It is more costs effective as compare to other advertising methods, Marketers can analyze and measure the result of the campaign so that the accountability is high for advertising campaigns on search engines, Through traditional methods marketers were not able to quantify the actual ROI of the specific campaign however it is possible through SEM so that measurability of search engine marketing is higher, Lastly, as data can be analysed through previous records so that predictability is high on search engine marketing.

According to Chaffey (2010) search engines show all other terms which are related to that specific search keyword e.g. if consumer search about any fruit juice then search engine might also show the benefits of that fruit juice. Moreover, FMCG products are low involvement products so that they need to be linked with high involvement products (Kotler and Keller, 2009) so in short FMCG business can get more benefits through search engine marketing. Another advantage of search engine marketing is its cost effectiveness which could also be the reason of using SEM by FMCGs business. In short, all the FMCG companies should under consider the use of SEM as a part of their integrated marketing communication otherwise it would be difficult to compete with other brands which are using search engine marketing.

**Viral Marketing:** According to Key Note UK Internet Market (2009) viral marketing is the process of using the current social networks for the promotion of a product or a brand based on the concept that user will further spread the information around the other users. Viral marketing might contain television ads, cartoon characters, video clips, humorous images, poems or songs and any type of messages (including news and information) which create interest for the users and they pass that content to other users within their networks (Chaffey et al, 2009). According to Gibbon and Hawkes (2006) the simple, effective and best viral marketing creates positive response and it let the users to experience or interacts with the brand.

Moreover, Chaffey (2010) argued that viral marketing is very much effective for creating brand awareness.

Charlesworth (2009) argued that for successful viral marketing company must consider this given below criteria:

- ✓ The message which is going to be sent must be interesting and creates interest for consumers such that they forward it further. In short message must have worth to be forwarded.
- ✓ User friendly techniques must be used for sending the message such that users can forward the message easily and frequently e.g. there should be a button like “forward to friends”.
- ✓ And in last, message should be sent on where it could be seen easily by the target group.

As viral marketing helps in enhancing brand awareness and it is also being done with very low cost, FMCGs business should start taking benefit through this communication channel however they should be providing honest and appealing content to make the campaign successful.

**Games Advertising:** This is the new platform for the marketers to promote their brands. In addition, according to Internet Advertising Bureau (2010) this is the very growing medium and all the major brands are observing it as a marketing channel however, coca-cola and Procter and Gamble are already using it. It is becoming one of the most effective communication channels and Internet Advertising Bureau (2010) tells that only in UK 20.1 million people are playing games on internet on regular basis and on average they are spending more than 7 hours in a day on online games.

Marketers of FMCG business should not ignore this channel of communication as people are spending more and more time on online games similarly its market share is also increasing rapidly. Furthermore, people keep in mind about the brands they have seen in games and this channel is as effective as even President Obama used this channel for his election promotion campaign (Internet Advertising Bureau, 2010).

**ITV Advertisements:** Interactive Television is the further technological development in the traditional televisions. In short, Gawlinski (2003) argued that the television sets which have got internet access are called interactive televisions (ITV). Furthermore, Tsaih et al. (2005) stated that through interactive televisions companies are broadcasting audiovisual messages and users can communicate as they have got opportunity to make search on ITV and they can search more information according to their needs and can go for shopping online.

According to Gawlinski (2003) there are different types of interactive televisions includes: Electronic Programme Guides, Tele text Style Service, Walled Gardens, Internet on Television, Enhanced Television, Video on Demand, near video on Demand and Personal Video Recorders

According to Menke (2007) as it costs very low to promote the brand through interactive television advertisements as compare to advertising on traditional TV thus it leads to higher return on investment (ROI) and it creates brand awareness however price is charged on the number of views by users and sometimes it leads to wastage of money that is why it sometimes does not attract FMCGs business.

If FMCG companies start using ITV for the communication then they can increase their brand awareness though they can create brand

awareness among new generation more efficiently because it is new technology and normally young people only seems using ITVs.

**Digital Radio:** According to Menke (2007) Digital Radio is also called Digital Audio Broadcasting (DAB) and Jefkins (2000) stated that this is the latest technology and further development in traditional radio through which multi audio services are being provided to the listeners.

According to Mortensen (2008) more than 60% of UK's people are listening digital radio for hours in a day but they are also using some new platforms for listening it which includes internet and mobile phones and digital TV or ITV moreover, digital radio has chances to have much more market share in the future. Similarly, Barber (2007) determined that sales of digital radio will increase and in year 2012 and more than 60% of households will have subscription for digital radio.

For FMCG industry digital radio can become very effective communication channel as it is very cost effective, then its market share growing very rapidly and on the other hand social and technological trend is changing as well and people are moving from traditional radio to digital radio therefore, as consumers are moving to this channels marketers also need to move there.

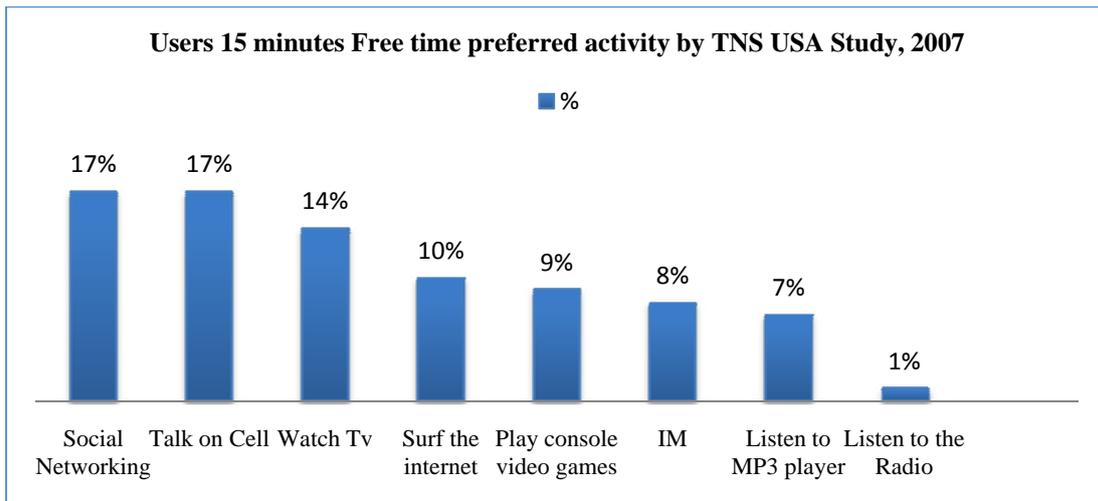


Figure 4: Consumers' interest for social network sites

Source: You've got a friend: Measuring the value of brand friending on social networks

### **Advantages of New Methods of Technology**

According to Chaffey et al (2009) the main purpose of the advertising is to create awareness and to generate the direct response by consumers (as shown in figure 5) whereas, Menke (2007) argued that the traditional methods of communication are not as effective as new interactive methods are.

New interactive methods of communications are much more effective than traditional methods however Chaffey et al. (2009), in figure 5, highlighted these major benefits of new methods which includes (1) Online advertisement generates the direct response by consumers as soon as they click on the displayed advertisements and it makes the direct interaction possible between the consumers and marketers. (2) Online advertisements are much more effective for increasing brand awareness. (3) Advertisement through new interactive methods of communication is much more effective than traditional methods as firstly it is cost effective and secondly it saves time. While using traditional methods, marketers were required to start working weeks or months before its actual launching date furthermore it was difficult to bring changes in the campaign once it was being launched, however, now while using new methods, marketers do not need much time for all above processes. (4) Through new methods of communication accountability is possible as marketers are now able to measure the ad effectiveness in terms of number of people seen that ad or in term of number of people liked or disliked that ad.

Furthermore, Charlesworths (2009) argued that another benefit of online advertisement is that it makes the interaction possible between consumer to consumer (C2C) or between current customers and potential customers therefore it effective for generating positive word of mouth and creates brand loyalty among consumers. Moreover, it is very easy to reach the target market through online advertisements (Charlesworth, 2009).

Some other benefits of advertising through new technological media are discussed by Trehan and Trehan (2007) which are: (1) New methods are comparatively cost effective and maximum marketers can afford the advertising campaigns using new methods. (2) Messages can be sent in a detail form and it could be re-

achable and consumers can visit the ad at any time when they are free. Moreover consumers can make contact with the advertisers at any time on the electronic address available on the web site.(3)Another opportunity for the advertising through the internet medium is that the market share for internet market is increasing day by day and on the other hand people are spending more and more time on internet.

### **Disadvantages of New Methods of Technology**

Marketers are having more opportunities through online advertisements as internet market is growing very rapidly but on the other hand consumers are having more and more influencing power and they can also become the cause of damaging the brand image or they can create negative word of mouth very easily especially through social networks and web blogs (Menke, 2007).

However, there are some other possible threats and disadvantages which are discussed by some of the e-business researchers. As Trehan and Trehan (2007) determined some threats for using interactive methods for advertisements which are (1) Internet advertising market has just started growing now whereas traditional channels are still occupying on most of the market share. (2) While advertising through new technological methods only those people can be targeted who are using internet otherwise these new methods are not useful for offline consumers. (3) Getting users' e-mail addresses is also a hectic job and companies have to pay cost for getting them though it costs very low but on the other side after bearing this cost people do not welcome the spam, junk or uninvited people.

Further Reid and Bojanic (2009) argued that sometimes there is more than one advertisement banner or display shown on the web page which seem very awful to the consumers and it decreases the effectiveness of all the ads however on the other hand there are many software available in the market which consumer use to block all type of online advertisements. Moreover, Chaffey et al (2009) stated that online medium of communication seems invalid for advertisement when the cost per click goes high but the consumers response rate is still low. FMCG business should critically evaluate all the factors and circumstances before using the new

methods of technology however current market trends do also matter highly and companies should also have PEST (Political, Economic, Social and Technological) analysis in detail.

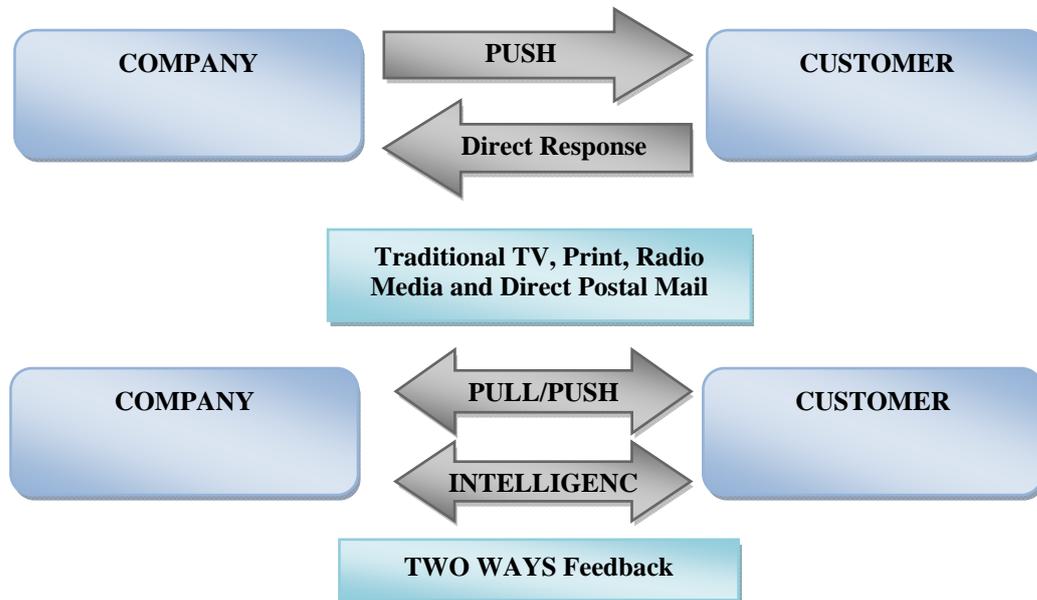
**Difference between Traditional and New Methods of Communication**

New methods of communication are no doubt different from old methods of communication (TV, radio, newspaper, door to door selling etc). According to Danaher and Rossiter (2011) these differences between conventional and new methods of communication are on the basis of ease in usage, trustworthiness, reliability and perceived value given by consumers. Moreover, Springer (2007) divided the traditional and interactive methods of communication with respect to the strategies required. Furthermore, there are two type of

media pull media and push media; all the conventional methods are under push media however, new methods come under pull media (Springer, 2007).

In addition, Chaffey et al (2009) determined that new methods are high intensity methods however traditional methods are low intensity methods. In traditional channels marketers always start communication with the consumers however, in new methods of technology consumer starts making contacts and he is seeking and searching the information (pull media).

Figure 5 shows the difference between new and conventional methods of communication, there is two way response in interactive methods of communication for example there can be two ways communication through e-mail marketing and banner ads by replying the mail and clicking on the banner ads respectively.



**Figure 5: Benefits of interactive communication channels**

Source: Internet marketing: strategy, implementation and practice By Chaffey et al. (2009)

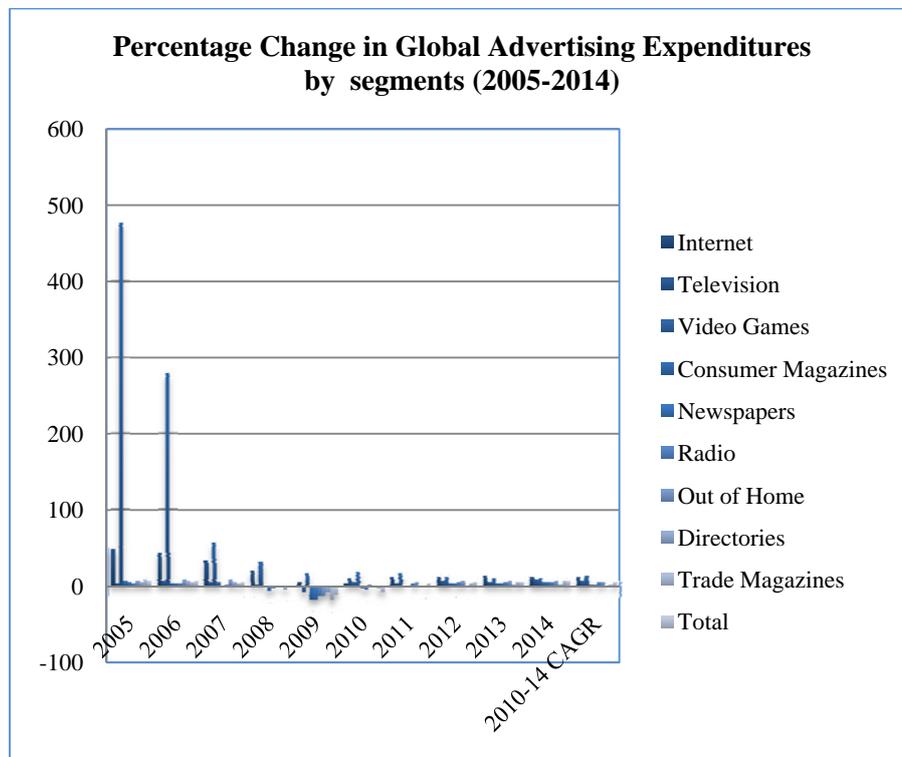


Figure 6: Advertising expenditure by all major segments

Source: Highlights from the World Digital Media Trends 2010 report

### Future of Internet Advertising

James (2011) briefly highlighted the global digital media trends and stated that the total global advertising expenditure is expected to increase up to 1.69 trillion U.S Dollars in year 2014 and it is forecasted that global advertising expenditures would achieve 4% CAGR (Compound Annual Growth Rate).

Furthermore, James (2011) argued that in U.S, which is the largest advertising market in the world, offline advertising market will have lost in its share up to 86% in year 2013. However, online advertising expenditure will go up to 40.3 billion U.S Dollars which will be the 16% of the market share.

The given graph (figure 6) discriminates the advertising expenditure by its all major segments. This graph clearly indicates that internet advertising market is growing rapidly and continuously even in year 2009 when the advertising market was in lost and all the major

advertising segments were bearing lost including TV but internet was still growing with 4.3% growth rate.

If the graph (Figure 6) is analysed in detail then it becomes very clear that all the offline advertising are shrinking however, Television is still in good health and it will definitely play its role even in future and according James (2011) it would have 7.6% growth rate. Whereas, interactive

Channels are rapidly growing as it can be seen in the figure 1 that advertising through interactive video game is on the top even in year 2009, when there was recession on the peak, it had market growth rate of 16.2%. Furthermore, these two mediums (internet and video games) will be leading for advertising market in future.

FMCG industry should observe these interactive methods because at the moment they are most favourite advertising channels and this forecast indicates that they will remain favourite

in the future because of the benefits which are associated with their usage for example their cost effectiveness and time effectiveness. However, on the other hand population on the online market is increasing and consumers are also spending more time as compare to past whereas these interactive communication channels are effective for creating brand awareness (Chaffey et al, 2009). Furthermore, James (2011) divided the advertising expenditures by different online advertisement formats shown in figure 1. In addition, Magna (a forecaster) cited in James (2011) determined that the spending on search advertising will increase up to 53.3 billion U.S dollars in year 2015 however it was calculated \$20bn in year 2010 whereas it was calculated \$12.5bn in 2010 in single U.S online advertising market and it is forecasted \$21.3bn in year 2015.

#### **Practical Implementations**

FMCG Marketers should not use any single channel whereas they should use multi channels for advertising campaign such that the campaign could be more effective and the advertising message reaches to the maximum target audience. However the most important is to first find which medium is most used by the target audiences. As FMCG products are low involvement products so marketers should use online banner ads such that online ads do not create irritation for consumers. FMCG manufacturers should not stop using some of effective traditional channels as Young (2010) argued that advertisement through TV and Newspaper is still effective and they have market share of 29% and 28% respectively. FMCG marketers should make synergy of traditional and new channels of communication as described by Gurau (2008), as marketers were suggesting multi channel campaigns or IMC, and now according to above research it is being suggested to FMCG marketers to combine multi interactive channels with multi traditional channels and should make a synergy. Research indicates that pop-up advertising is not liked by the users and it creates disturbance for consumers so that FMCG marketers should not use it however, if they really want to use it then they should be very careful while using it. FMCG manufacturers who want to target kids should use video games for advertising as IAB

(2010) argued that in UK 20.1 million people played games on internet in year 2010. So kids market can be captured through games advertising more efficiently .FMCG marketers should be careful in online customer relationship management (CRM). FMCG manufacturers should adopt new interactive methods of communication for those products which are for youngsters and people of middle age because research indicates that most of the online users are young and middle age people. However retired people prefer old channels as TV and Newspapers.

Danaher and Rossiter (2011) argued that mobile advertising is even worse than e-mail however Internet Advertising Bureau (2010a) tells that mobile advertising expenditures increased up to 83 Million pounds whereas it was 37.6 million in 2009. This shows the great growth rate and worth of mobile advertising so FMCG manufacturers should use this channel because it is more effective for reaching the target audience. FMCG marketer should start using search engines for advertising as research indicates that search marketing is one of the most growing channels at the moment and most of the FMCG businesses are not using this channel yet. Marketers should use social networks, like Facebook and Twitter, for increasing brand awareness because today there are millions of people who are using these networks and company can target more people in less cost. These social networks are effective in viral marketing and can create positive word of mouth.

However marketers should be careful in using these networks because control factor is very low on social networks and they can also generate a negative word of mouth as well which can damage the brand's image. Use of SMS and internet is higher among youngsters (Danaher and Rossiter, 2011). So it is suggested if the FMCG manufacturers want to target youngster then the advertising message should be delivered via e-mail and SMS. After building a company's website FMCG manufacturers should not expect that customer will start visiting them because they have built it now but FMCG manufacturers should create reasons making their visit guarantee. Moreover, FMCG manufacturers should always think about creativity and innovation for their online campaigns.

## CONCLUSION

As research indicates that the characteristics of FMCG products are low involvement products with low product differentiation and consumers do not take much time in decision making process because FMCG products are being purchased on consumers' habitual buying behaviour, therefore, marketers need to create high brand awareness in order to include that specific brand into consumer's evoked set of brands. Based on this marketers should not ignore the effectiveness, strengths and power of the new methods of communication. Furthermore, the discussed benefits of new methods of communication are more than the traditional methods and FMCG manufacturers can create brand awareness and product differentiation effectively by using these new interactive methods. In addition, traditional methods of communication are becoming out dated and are not able to fulfil all the requirements of today's consumers' and marketers' needs.

Though the traditional methods still have some advantages as they are reliable and credible but on the other hand they need push strategy and create one side communication, moreover, they are not measurable as marketers cannot evaluate how effective the campaign was and what exactly changes it need in future. However, most of the new methods of communication need pull strategy rather than push and they can also be evaluated and measured for their effectiveness and accuracy, furthermore, new methods of communication are much interactive and they enable communication from both marketers' and consumers' side. Though FMCG manufacturers yet have not realized the benefits and effectiveness of new methods of communication, that is why they still do not prefer to use these methods otherwise these online methods of communication are able to generate more customised messages, and by using these interactive methods marketers could focus their target markets and could save their extra cost which they pay in mass communication. Another reason for FMCG manufacturers that they must start using these interactive methods, for communication, is high growth rate in the internet population from last few years and on the other side people are spending more and more time on social networks

and in internet surfing, so that marketers should go where consumer goes. Furthermore, internet advertising usually does not create irritation for users because users watch the online ads while they are doing other activities without have any interruption.

## Limitations and Future Research

Though this research provides a detailed critical evaluation of the Interactive communication channels and the way these channels could be useful for FMCG businesses but still there are some new formats of interactive communication which are not discussed in this research but those formats are being used by businesses very frequently (e.g. Enhanced Text). Those formats should be analysed in the context of FMCG businesses. In this research Website format is not being analysed which is one of the major source of interactive communication channel therefore future research should focus on that format as well. Technology is developing very rapidly and it has changed the process of consumer cognition, now 3D virtual worlds (e.g. Secondlife and There.com) are being used by many companies for the advertising purpose. Many big brands (e.g. Toyota, Reebok etc) have already started their representation in these immersive virtual worlds. So this new and immersive communication channel should be explored and focused in future research not only in the context of FMCG Business but for other businesses. Because corporate world has just started considering virtual worlds beneficial for their businesses and a huge gap is there in the literature which need to be filled in marketing perspective. Marketers and academics could explore these virtual worlds not only in advertising perspective but in many other fields of marketing for instance branding, virtual reality retail stores' environment, consumer psychology and many more.

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