

FMCGs ride on social media wave to woo youngsters

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Mumbai, Nov 2: Pooja Ashar, a 19-year-old college student in Mumbai, spends at least four hours browsing social media website Facebook and micro blogging website Twitter every day. She is not alone. Many of her college friends, too, are hooked on to these networking sites.

Facebook had said in April 2011 that of its 800 million active users 25 million were from India alone and Twitter, which has 106 million users worldwide, said India ranked second in traffic after the US. And this is making fast moving consumer goods (FMCG) majors, such as Hindustan Unilever (HUL), Tata Global Beverages (TGBL) and Procter & Gamble India (P&G), step up their advertising spend on the growing social networking websites and devise new ways to 'engage' youngsters such as Ashar.

"Indian companies are spending over ₹150 crore on social media marketing campaigns," said Venke Sharma, president of Arc Worldwide India, part of advertising major Leo Burnett India.

For instance, HUL, after seeing the success of its 'Sunsilk Gang of Girls' on Facebook last year, has now taken its flagship brands such as Axe deodorant, skin care product Vaseline and detergent Surf Excel to social media sites.

The availability of social networking sites on mobile handsets has also fuelled the popularity of this medium in the last one year. Rajan Anandan, vice-president of sales and operations at Google India, said at an event organised by VC Circle, a provider of news and data on investments

in India, in New Delhi in March 2011 showed that India had 100 million internet users, of which 40 million access the internet through their phones. Anandan added that more than 300 million people in India would be hooked on to mobile internet by the year 2015.

HUL has recently created a fan club for its brand called 'Axe Angels Club' on Facebook to popularise the deodorant. The club has over 1.8 million fans, said a company spokesperson, adding, "Over time, we have leveraged the Axe Facebook community to get us honest feedback on ads, activities and also ideas on our marketing mix, for instance, variant names." HUL said its campaign for Vaseline, launched in August 2011, has roped in 90,000 fans so far.

Experts say thrust will be now laid on engagement of potential customers online. "Marketers will begin the transition from 'one-time placement and click of ads' towards 'ongoing engagement' with the internet users and will, therefore, allocate a higher percentage of their advertising budget to social networking sites," said Neha Gupta, senior research analyst at Gartner. "This is mainly because social networking sites, with the help of social analytics firms, are able to unlock the interconnected data structures of users — mapping lists of friends, their comments and messages, photos and all their social connections, contact information and associated media."

HUL's rivals P&G India and Gillette India are looking at digital and social media as a way to understand today's consumers and to connect with them at a more personal level. "This enables us to serve them

with superior product propositions," said Sharat Verma, marketing manager, P&G India. P&G India is also carrying out sampling exercises for its personal care brands on Facebook.

Meanwhile, TGBL is beefing up its operations in this space to connect with consumers. "The intent of our social media platforms and campaigns has been to build a two-way engagement with the youth," said Vikram Grover, vice-president of marketing at TGBL. "We have used social media to understand which causes resonate with the youth and have proactively sought to get NGOs and vol-



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unteering opportunities in those causes on the portal. We also build awareness and excitement around causes and activities espoused by NGOs on Jaagore.com." At present, Jaagore.com has 6,21,000 registrations, 21,000 Facebook fans and 2,500 Twitter followers.

"Our greatest learning has been that on social media, what you users are saying is far more important than what you want to say to them," said Grover. "Your message has to fit in to what they are talking about — it has to be communicated in their style and be relevant to their contexts." He added that the interactions are conversa-

tional, sometimes contest-based, where users bring their perspectives to the fore.

Godrej Consumer Products (GCPL) is also planning to take all its brands to social networking sites to facilitate interaction. "After seeing the response to our social media activities for Hit on Facebook, we are exploring new opportunities to take all our brands to these sites," said Tarun Arora, executive vice-president, GCPL. He, however, did not specify how much demand has grown for Hit through online promotions. "It's too early to see a jump in sales," he said.

Dabur India has recently taken its brands Vatika shampoo, Uveda (ayurveda skin care range) and Gulabari (skin care product) to social networking sites. "Consumers are increasingly using social media to share their experiences with products and services," said Sunil Duggal, CEO of Dabur India. "They become your brand advocates and having a social media presence helps brands better reach out to their consumers and add new ones. Social media helps us create bonds with our consumers and also get constructive feedback from our brand advocates."

According to Duggal, Dabur's beauty care portfolio which includes Gulabari, Vatika and Uveda is currently growing at 20% annually. "With social media as part of our marketing mix, we hope to increase our growth rate for these brands," he said. He did not specify what growth he expects from these brands through promotions on social media sites. "In fact, our food brands Real and Active which are already on the social media sites are currently growing at 30%," he added.

Abheek Singhi, partner and director, Boston Consulting Group, India, citing the success of HUL's Sunsilk Gang of Girls, said the biggest driver for social network marketing in India will be low-cost smart phones in the next few months.

Social media sites are obviously gaining from the increased focus of companies on promotions. Worldwide, social media revenues are estimated to reach \$10.3 billion in 2011, a 41.4% increase from 2010 revenues of \$7.3 billion, according to research firm Gartner. Advertising revenue is, and will remain, the largest contributor to overall social media revenue, Gartner said in a survey released on October 11, 2011. "Social media advertising revenue is forecast to total \$5.5 billion in 2011, and grow to \$8.2 billion in 2012."

Experts, however, say revenue commitments has not been growing in this sector. "In fact, Indian companies are only spending 2% of their overall ad spend on social media activities," Sharma of Leo Burnett India said.

"Facebook advertising is moving from a 'nice to have' to a 'must have' for global brands, which is illustrated by their increasingly competitive marketplace," said David Karnstedt, president and CEO, Efficient Frontier, a leading performance marketing company managing more than \$1 billion in marketing spend annually on behalf of advertisers worldwide. "We believe Facebook cost per clicks (CPCs) will continue to rise at a double-digit pace for the remainder of the year so brands would be wise to add social media marketing to their overall digital marketing spend sooner rather than later."