

Brand Awareness of FMCG Companies in the Context of COVID-19: A Conceptual Analysis

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Structured Abstract

Purpose: This paper is an attempt to reveal the brand awareness of FMCG companies at the time of COVID-19. It relates to awareness, product acceptability and the performance of firms

Design/Methodology/ Approach: The secondary data collected from various journals, articles, reports and web resources have been used.

Findings: The analysis of data highlights that where most of the sectors have been suffering from running as well as their existence tremendously, the FMCG sector has grown up remarkably due to its brand awareness among consumers.

Practical Implication: As an outcome of the scanning, it has been found that the feature of the FMCG products heavily affected the Indian consumers, requisite qualities and different dimensions and it appears to be the major driver of FMCG sector's performance followed by the brand awareness and brand recognition component.

Originality/Value: Brand becomes valuable concept and the awareness of it helps to attract potential customers. Constant innovation keeps FMCG sector on fast track growth

Keywords: Brand Awareness, FMCG, Marketing Strategy, COVID-19

Paper Type: Research Paper

Introduction

The COVID-19 pandemic has changed the life style of human civilization drastically. Business environment has been affected to a large extent. During this pandemic situation, where most of the sectors have been suffering from running as well as their existence tremendously, the FMCG sector has grown up remarkably due to its brand awareness among consumers. Awareness attempts to enhance the volume of audience (www.bynder.com). In building awareness, a number of strategies such as referral programs, info graphics, car wraps, social media contests, impressive guest content, freebies, freemium with credit, local partnerships etc have been formulated (www.wordstream.com). Again to increase awareness, various ideas like hosting of educational as well as social events, distribution of brochures, wallet cards, stickers, sharing of gratitude, organizing service projects, empowering and connecting others etc have been developed (www.marketingguide.com). The awareness of a product in a firm is heavily expected to be improved as the result of a higher brand and higher brand value, however brand awareness is defined in different ways and there is no universal standard way of measuring it. Brand awareness is an important term of marketing which states the degree of recognition of the potential consumers as regard to a firm's product or service by its name. In promoting a new product or reviving an older one, brand awareness plays as a key factor (www.investopedia.com). The consumer based companies always adopt a cognitive psychological point of view in assessing the brand and the value expressed by itself. This awareness helps a marketer in many ways. It is a difficult task to create brand awareness of products & services of firms among consumers.

Review of Literature

Reuter, (2020) expresses that brand building is a continuous process. Every organization wants to build a strong brand for promoting its valued products in consumer's mind which needs critical analysis and the customers can memories that what they have bought from the market

and so here, the low budget brand building plays a crucial role. Like every organization FMCG, company always wants to achieve the highest possible revenue on a specific quarter and also make a strong brand that provides better service along with utmost care which is necessary.

Aydin & Ulengin, (2015) mention that subjective aspect of FMCG value is also obtained from brands by the consumer's specific benefits that can be materialized as self esteem, sense of accomplishment and another one is referred group. FMCG brand equity also helps to enhance company's efficiency and effectiveness of the mentioned marketing program and enjoy the profit margin.

Ghodeswar,(2008) says that brand identity helps customers and brand association also implies a faith to customers. Brand identity makes a value for the product which manages to increase the share value of the organization. Image of an organization resembles a mirror. Logo, trademarks, packaging style expresses the quality of product.

Chernatony, (2006) states that unique brand management and its framework always help in decision making that build a brand identity in a systematic order. A retrospective study helps in the time of COVID namely positioning and communicating brand building awareness in all categories of FMCG.

Tosti & Stotz, (2001) mention that long term relation with customer extended to B2B or B2C should practice and build decision making process.

Keller, (2001) states that the consumer goods sector is facing many challenges because of two main factors in the world. The first safe factor is micro which is slowly growing that seeking more strategy in fast moving consumer goods in service sector. Here, more comprehensive strategy is required. The second dimension is macro. This actually turns out to be a challenge for managers as more knowledge is to be imparted within the specific period. Marketing communication can only correlate between customer and organization. The medium and long-term objectives should also be mentioned properly.

King, (1991) depicts that brand concept has been accepted in the year 1980 and thence the branding research continues and holds an importance in the field of marketing. In marketing area, a creating awareness plays very important role. Whenever, we talk about one reputed FMCG company, especially taking care of market segmentation, the brand awareness of FMCG company and it's elements help not only the consumers in competitive market but also help to change the environment.

Research Gap

1. Brand awareness and product extension should co-relate which is not presenting in existing literatures.
2. All published data are not elaborated enough as per industry requirement.
3. Consumers are not aware of all products & services which are launched in COVID-19 situation since April to November 2020.

Methodology used for the Study

This research is exploratory in nature. The secondary data available in various journals, articles and web resources are used for this study.

Objectives of the Study

"It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change" - Charles Darwin

This is the time for survival for the fittest from where it can be mentioned, in present context that all home-grown to multinational companies want to re-start factories first and then disburse wages in time. Collecting raw materials and doing the production become challengeable job for managers. There are various objectives of the study such as:

1. To throw light on reasons for popular organization adopting brand awareness philosophy in India
2. To mention the concept of brand awareness.
3. To know the perception about new products in pandemic situation.
4. To establish awareness among target audience in adverse condition.
5. To expose new product features in front of consumers.
6. To identify the limitations of brand awareness in Indian consumers.
7. To offer some suggestions for the welfare of brand awareness throughout the business world.

Create Brand Awareness

FMCG brand awareness is an utmost need to be present in consumer's mind to develop brand (Washburn and Plank, 2002). Awareness is a factor in brand image, dimension of association and organizational association (Aaker, 1996). Brand Awareness is one of the major factors in FMCG product that revealed in (Aaker, 1991, Krishnan, 1996, Mackay, 2001). It is a factor of a potential buyer to recognize brand that is a character of a certain category which starts with the level of different awareness from lower to higher, unaware of brand to brand recognition, brand recall and on top of the mind (Aaker, 1991).

COVID-19 and FMCG Companies

The COVID-19 is one of the devastating changes occurred usually after hundred years and it affects a large part of our standard of living. This pandemic has created new opportunities for employers and employees both. Only the FMCG and pharmaceutical sectors raise their hands during critical economic shutdown period. This is the fact that FMCG (Fast Moving Consumer Goods) has been set to emerge as a prospective sector in the long run. In Indian economy, FMCG sector becomes fourth largest sector. It has many segments and their subsequent. These products are unique in their character due to low price, perishable in nature, minimum quantity and maximum features which are soap to sanitizer, musk to mouth freshener and also dental care to detergent powder, everything has been listed. To increase growth rate more, these companies adopt different strategies, for example, price cut, product variation and product credit facilities. The rural India provides better profit than urban counterpart (Bhushan & Malviya, 2020 and Malviya & Sally, 2021) basically FMCG companies have profiled skin care fragrance and now onwards, these companies shift their focus from traditional to non-traditional such as personal hygiene in homes and workplaces. The products such as sanitizer, musk (Savlon musk), disinfectant soap, kitchen cleaners, toilet cleaners what we have seen are essential commodities available at kirana shops because at the same period from March 2020 to September 2020 approx. all hypermarket were closed due to strict government order. Once again, these companies focus on instant food immunity building powder, frozen food, multigrain wheat, immunity building mustard oil, milk based biscuit and pasteurized extra protein based milk that significantly help to fight unwanted virus. Basically, all top FMCG companies have adopted different marketing strategies to capture the target audience. Especially, companies like Dabur, Marico, ITC, Tata Consumer and Amway have exemplified on it.

Figure 1 shows Indian real GDP growth during 2012-2022. Due to deep crisis caused by COVID-19, the Government of India announced lockdown on 24th March, 2020 for a period of 21 days initially, after that extended by an additional 15 days and so on which led to the shutdown of factories, declined the supply chain and made around 278 million sq.mt. of retail space redundant. That was worst economic slowdown in a decade which the government was trying to revive prior to COVID-19 outbreak. It predicts that Indian real GDP could dip into negative territory in 2020. In spite of that, in this situation, an upward trend in FMCG revenues is noticed which is shown in Fig 2.

Figure 2 highlights the trend in FMCG revenues. FMCG companies have earned moderate income i.e. USD 49 billion in 2016 to USD 68.4 billion in 2018. But after that, these companies have been able to achieve height possible growth in terms of revenue. In the year 2020 Q2, despite of having all hindrances caused by COVID-19, FMCG companies have been able to achieve USD 103.7 billion. In this fig. it is seen that the average revenue earning is USD 71.44 billion. This trend has started from the year 2019 and has been continuing.

Limitations of Brand Awareness in Indian Business Environment

1. It is costly enough and very difficult to implement specially in small and medium enterprises.
2. This marketing system lacks super specialist personal new business policies for betterment of business environment.
3. It is a new concept; conventional managers are unable to understand the basic difference between brand and brand awareness. As because of it, they are habitual to use conventional product feature.
4. It has been seen that there is a lack of interest regarding brand awareness.

Findings of the Study

1. In marketing management, COVID-19 has created sustainable competitive advantage among the competitors.
2. Top management is basically interested in profit maximization.
3. Brand becomes valuable concept.
4. FMCG sector becomes an indispensable sector in pandemic situation.

5. Financial managers proof their abilities to open up a series of low price products.
6. Brand awareness helps to attract potential customers.
7. Constant innovation keeps FMCG companies on fast track growth.
8. What we have seen is that qualification of a product can woo common man.
9. FMCG sector becomes lucrative for creditors.
10. In pandemic situation, sales executives play a big role for dispatch package food items to villagers more throughout the market.
11. Due to money crunch, customers reduce their over expenses on grocery.
12. The prolonged lockdown and fear to death have culminated more home centric approach and on the other side, logistic and regulatory hurdles have decreased sales revenue.

Conclusion

We are witnessing a dramatic shift in business model, consumer behaviour and business environment where in there will be a straight decrease of certain business. This pandemic creates a vulnerable environment for human civilization. We become helpless. Therefore, creating the brand awareness in COVID situation totally depends upon company's internal strategies and how effectively & efficiently they implement these in the market. So, continuous product development, modification and customized approach can help in long term gain.

Suggestions

New idea would come when new policy takes place in an organization. Now the whole world is striving for better results. Some suggestions are offered below in the light of findings of the study.

1. Proper measurement of brand awareness for fruitful judgment of the issue is pivotal.
2. Suitable method should be developed and used for reviewing the performance of brand.
3. Problems created by brand awareness at the initial stage of product development and modification should be properly identified and then solved.
4. Use of Artificial intelligence for providing better service to the end user should be initiated.

5. Brand and brand awareness should be considered as one type of advertisement so that the corporation would get better market response through marketing which is a backbone of any business organization.

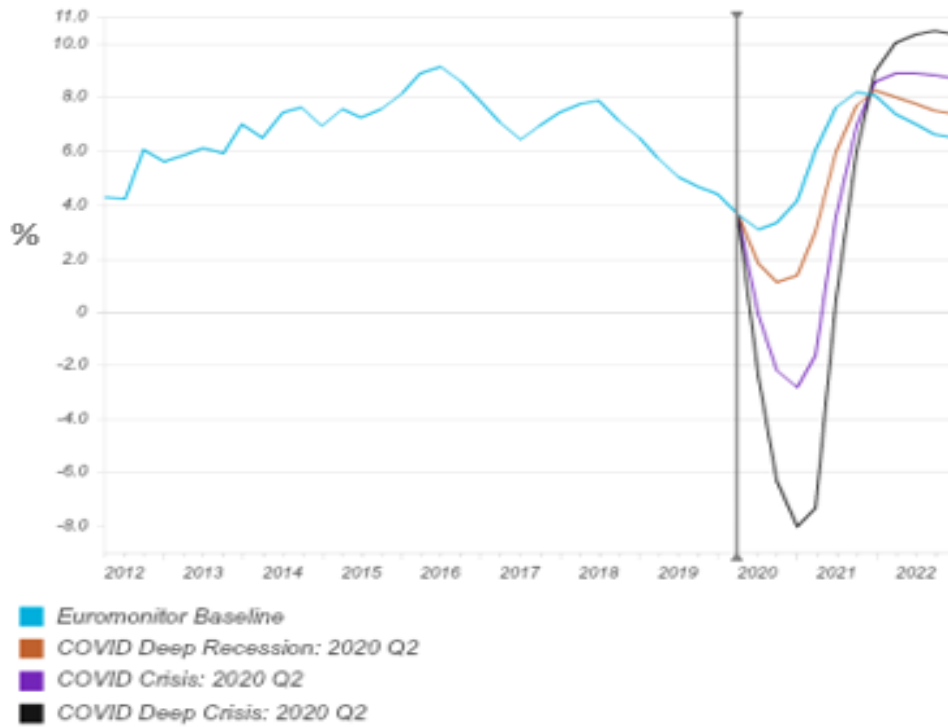
6. Last but not the least, it can be visualized that four ideas i.e. K- (Knowledge about the target audience), E- (Eager to do something), N- (New product), P- (Precaution) can enhance brand awareness which in turn make the companies able to generate sales revenue again. Higher awareness among the general populace straight larger potential market for the firm can help to achieve the target.

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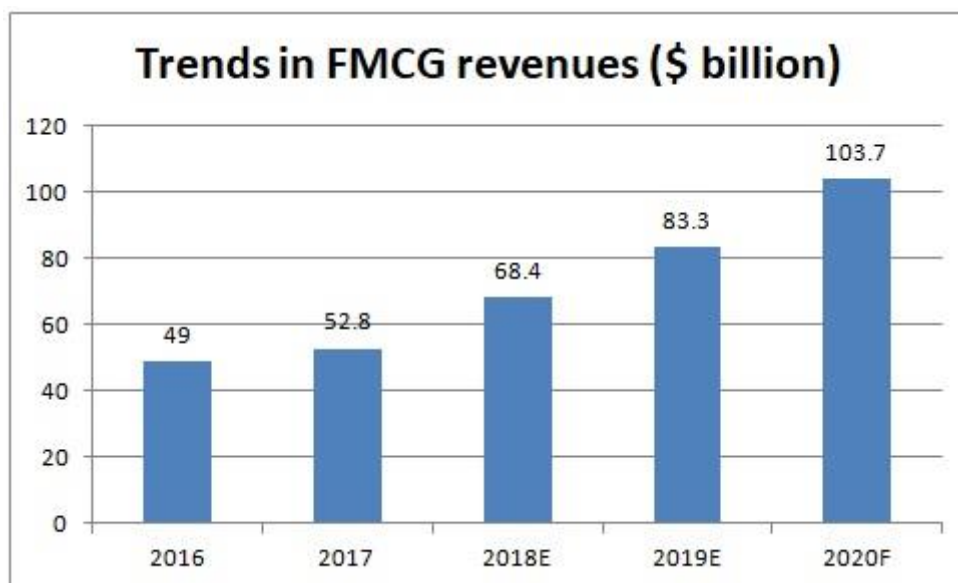
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Figure 1
Indian Real GDP Growth during 2012-2022



Source: Euromonitor

Figure 2
Trends in FMCG Revenues



Source: India Brand Equity Foundation