

## **COMPARATIVE ANALYSIS of FMCG ADVERTISING BETWEEN DEVELOPED (USA) and DEVELOPING NATION (India)**

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### **ABSTRACT**

Advertising a concept in today's time is a means of selling the product, to influence and manipulate the consumer, to make them understand why the product is good for them and most importantly why would the consumer need the product. Fast Moving Consumer Good (FMCG) advertising can be one of the sectors that laid a brick to what has become a necessity. However, despite same brand across world specific country has its own nature of Advertising. In order to sell their products many prefer to insert elements consumers are familiar with these can range from patriotism, family, friends or even current trends in the society.

The difference in nature of advertising can be found in U.S.A and India respectively. Despite same brands, the advertising in U.S.A are more outward, boldly, focusing on individual and peer choices whereas India advertising are more soft, subtle and family oriented in nature. This helps in identification of various aspects of nation and plays a major role in creation of perception of other nations.

### **INTRODUCTION**

Advertising over period of time has led to drastic changes. With main target as consumers, it's up to agencies or organizations how they want to influence the consumer to buy the brand. Few ethical issues are same for both the nations but the approach to these are different. These ethics act as basis or guideline one has to follow but majority it's not the case. The analysis of ethics, and the agencies method to go around these, help one understand the past and the future advertising holds.

Besides these, Newspaper and movies help in shaping the perception one holds for other nation. This perception determines impact it might have on buying imported FMCG goods. Looking at the revenue and market, an organization sells its product however; the advertisement across the globe can deeply affect the sales of any FMCG brands. The paper dwells into cases of FMCG companies and gives in-depth

comparative analysis of both the nations (i.e. U.S.A and India) respectively and strategies involved in selling.

## **OBJECTIVES**

Following are the objectives of the study to:

- To study the growth of FMCG advertising of respective nations.
- To learn Advertising strategies adopted over period of time.
- To find impact (if any) of same product advertising across the globe.
- To examine the effectiveness of ethical bodies in respective nations.

## **RESEARCH QUESTION**

Do the strategies adopted by advertisers for global level advertising differs from nation to nation?

## **REVIEW OF LITERATURE**

### **1) Audio-visual Sources (Documentary)**

- a) Advertising in USA, Gary Grossman and Rob weller, U.S.A, 2014.
- b) The documentary gives in-depth information about the birth of advertising in U.S.A. The media researchers estimate that each day the average person in the United States is exposed to upwards of 3,000 advertisements in a day. The main area of focus is FMCG brands and how over a period of time it has evolved being one of the greatest factors in gaining revenue of the product. Equal focus is given to each segment of media (that is radio, print, television, outdoor advertising and internet.)
- c) Advertising in FMCG sector is growing day by day. The aim of agencies is to make consumers understand why they need this product and that is only through association with element in everyday life, such as friends, or even mascots of brands such as froot loops Bird or Mr. Muscle for kitchen cleaner etc. In order to capture attention there were times when advertisers would come with rumours to let consumers try the brand and trust them.

- d) Evolution in advertising helps in understanding the priorities and aim of agencies. Advertising helps in shaping the perception of other nation, their livelihood and lifestyle as well. One can deeply understand the practices adopted by advertisers before establishment of ethics with the help of various case studies. These case studies of ad campaign helped one know the working behind industry and its fast paced growth after coming of printing press.

## 2) Audio-visual Sources

- a) FMCG Sector Analysis, Anurag, India, 2013.
- b) For any advertiser or an agency, one needs to have through research of the sector the product is catering too. Research being backbone, one can carefully analyze the market, the segmentation and analysis of the needs and wants of the consumer. This analysis, gives a brief insight on economical aspect of FMCG sector in Indian market, strategies which are adopted by the organization.
- c) The Indian FMCG sector, with a market size of US\$ 25 billion (2007–08 retail sales), constitutes 2.15 per cent of India's GDP. The industry is poised to grow between 10 to 12 per cent annually. A well-established distribution network spread across six million retail, low penetration levels, low operating costs and intense competition between the organized and unorganized segments are key characteristics of this sector. Rural India accounts for close to one-third of the total consumption pie. FMCG companies are devising exclusive rural marketing strategies to tap the rural consumer base. It has been found that many successful campaigns such as E-Choupal by ITC limited Swasthya Chetna Abhiyan by Dabur or Van Campaign by Marico, to generate awareness of Parachute Oil in towns which is less than 20,000 populations.
- d) In-depth statistical data is provided through this report. It gives a detailed account of the profit earned, annual turnover of the products

and deep financial stats in terms of packaging, advertising, marketing, raw material and labor cost. It sheds light on the importance of rural market for advertising industry and through the campaigns as mentioned above, one can understand the advertising strategies the marketers adopt in order to increase the sales of the product.

### 3) Books

- a) Global Advertising and Marketing :Understanding Cultural Paradox, Marieke de Mooij, U.S.A, 2013
- b) Packed with cultural, company, and country examples that help explain the paradoxes international marketers are likely to encounter, offers a mix of theory and practical applications as it covers globalization, global branding strategies, classification models of culture, and the consequences of culture for all aspects of marketing communications.
- c) The book gives a brief insight on culture of various countries and values that everyone have grew up with, it introduces the reader on branding as a whole and backstage on what goes into branding. Media usage has increased ten-fold than it was before and this has led to influences of various cultures. It talks about the difference of strategy of a product at national level and at global level, the marketing mix, the do's and don'ts of advertising, brand packaging and positing as per the national identity.
- d) Globalization has changed the world, making it borderless and coming together of nations at an equal level. Looking at potential market outside nation, many organizations adopted the practice of global advertising. However, many advertisers would prepare to sell their product as per the culture of the nation. This helps in achieving their target audience and selling of the brands globally. As per the nation culture, certain values such as family, friends are kept in focus. Keeping these aspects in mind, the advertisers now view global advertising as a potential for sales and profit.

#### 4) Research Paper

- a) Advertising Ethics-An Indian Perspective, Dr. (Mrs.) M. Nagamani and Mrs. S. Ashna, Indian journal of Applied Research, India, 2014
- b) Advertising is vehicle for persuasion, for influencing the people to buy product. Media researchers find that majority of the ads focus on using most common words spoken by people, so they can easily recall. However, in midst of this entire one mustn't forget the ethics and law involved in it. They play a role of gate keepers, not letting any advertisements hurt anyone sentiments or misleading the consumer.
- c) Despite having the laws in the country, the implementation is not done. It has been found that the number of unethical and obscene advertisements is increasing and this is due to influence of Western culture. One has now almost forgotten Indian cultures and values, hence it's very important to restore these, through implementation of laws again.
- d) Advertising Standard Council of India (ASCI) is the governing body that looks after the ethics which are followed by the advertising agencies. One would be surprised to know despite having harsh punishments, there hasn't being much change in the portrayal of advertisements which are misleading or false or unethical in nature. Moreover, many cases such as Ponds face wash, surf excel blue detergent are pending and they continue to broadcast. This shows that despite having a body not much is being done. Hence, there is a need for implementation of laws again.

#### RESEARCH METHODOLOGY

U.S.A and India are the two areas for focusing. **Descriptive research design** is selected, to understand the birth of advertising, to compare and contrast the ethical issues, varied target audience and strategies the organization or agencies need to take to make sure that the consumer buys the product. Besides these, advertising being a broader concept, special focus is on the Fast Moving Consumer Goods (FMCG). FMCG products can be found since inceptions, these were one of the few

sectors where advertising started playing a serious role in generating revenues. Thus, **Historical approach** is being chosen to understand the strategies agencies have inculcated and how it has changed in the coming times. It helps in giving insight on past and how these strategies will evolve in coming future of advertising. With the help of **content analysis**, **case studies** of various FMCG products of U.S.A and India respectively and **discourse analysis** one can understand the context behind the messages and how it helps in building up the desire of the consumer for the product.

## RESEARCH FINDINGS

A Developed and a developing nations differ at great lengths on various segments be it politically, socially, economically or even culturally. Can the same be said for advertising? Yes, to an extent.

Advertising industry from its inception has contributed steadily to GDP of a country, it has been found that in U.S.A itself, Advertising accounts for 19% of G.D.P (i.e. \$3.4 trillion). It has being estimated to grow 3.3 percent till 2019. In India, it is estimated to be worth \$18billion by 2017 from current level of US \$14 billion out of this, 2.4% is FMCG itself. FMCG Advertising not only contributes in sales of goods but also in economic growth. It has being found that FMCG advertising is one of the most profitable and fast economic growths in area.

**Advertising strategies:** Many of the strategies are formulated through Research and analysis.

In U.S.A, it has been found that psychological research plays a major role to get through consumers. Not only informing the consumer about the brand but also giving them a reason as to why they chose that brand. Various experiments are conducted to know the likes and dislikes, which images are preferable. Context is another strategy used by psychologist, to know which words are most frequently spoken by people around. And these commonly used words are inculcated in advertisements and as a result, it helps one increase retention and recall of any brand or product.

In India, after the analysis of advertisements, it has been found that most focus is on the culture and values that we are embedded in. The aspect of love, family, relatives, and friends is given more in focus as compared to western culture. It is on these

aspects, the advertisements persuade the consumer. Also, another target is audiences in rural market, where their focus is on panchayat or the head of the house. It is through these and emotions one can easily sell a product. Advertisements are made keeping in various relations one has with others that generate a form of togetherness.

**Ethical Issues:** Every advertisement is governed by a body; these bodies make sure that the advertisements used are not misleading, false or unethical. The bodies of respective nations were established keeping consumer interest in mind but it's the effectiveness that comes into play.

In U.S.A., Advertising is governed by Federal Trade Commission. Main goal is to protect the consumers and to maintain healthy competition in the market. The body takes serious actions against the organizations that have false or misleading the consumers to buy the products. Thus, based on strategies mentioned above, one needs to keep in mind, that product that is being advertised has to be true to its fullest. For e.g.: A case can be found before the establishment of FTC, where Listerine created a false rumors so that consumers can use their products and stiff competition among organizations led to creation of FTC. With the help of Criminal Liasion Unit, this body is effective all round.

In India, it's a different case all matter, unlike U.S.A which is consumer-oriented and looks after the welfare of one, Advertising Standard Council of India (ASCI) has established a code of self-regulations. It looks not only after the consumers but also the interest of advertisers, media, advertising agencies that help in creation or placement of advertisements. ASCI has vested interest to look after the consumers but one can increasingly find advertisements misleading at an alarming rate.

**Global Advertising:** Advertising now is not just national but global as well. It has being found that global advertisements are a practice adopted by various advertisers and agencies; however, their approach is different. E.g.: Lays chips, the advertisement of lays in U.S.A is completely different than one in India. Advertisers feel that in order to increase the sales of a brand or product, one need to cater to the audience needs and wants. Thus, what is shown in U.S.A can never be shown in India, as it might not be appreciated and not welcomed by the individuals in the society. Hence, it has been found that looking at the potential market and kind of

people, their needs and wants are deeply taken into consideration. So, yes, there is an impact and that is positive in nature due to different tactics adopted.

## **CONCLUSION & IMPLICATION**

People tend to believe what they see in movies or even read in newspapers. Through these many have created perceptions about the nation and what the nation comprises of as a whole. Looking at FMCG Advertisements, of U.S.A and India, it differs in style, target audience, celebrity endorsements, also regulatory bodies make it difficult for same advertisements to be broadcasted all across the globe. Thus, when it comes to global level advertising it differs from nation to nation looking into regulatory bodies, the nature of target audience etc.

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