

Influencer Marketing Strategy of a Start-up as a provider of Fast-Moving Consumer Goods (FMCG) in India

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ABSTRACT

Numerous contemporary organizations utilize digital marketing strategies, including the implementation of influencer marketing techniques. The objective of this study is to ascertain and delineate the strategy employed in influencer marketing. The Indian start-up firm, which operates as an application-based provider of fast-moving consumer goods (FMCG) products, employed a qualitative technique and conducted a descriptive study to facilitate the sale of perishable FMCG items such as fruits, vegetables, milk, and other related products. The study's results indicated that the influencer marketing strategy employed by a fast-moving consumer goods (FMCG) product supplier, which is based on an application, can be divided into four distinct stages: decision-making, relationship management, campaign monitoring and evaluation, and measurement. The data obtained from the third phase, known as assessment or measurement, is utilized to develop influencer marketing strategies for future campaigns.

Key Words: Influencer Marketing; Marketing Strategy; Start Up Company, FMCG products.

1. Introduction

The shift from traditional (offline) to digital (online) platforms has brought about a revolution in business marketing, particularly in product advertising. The current market requires an increase in sales volume. As a means of endorsing businesses or services in cyberspace, the use of an influencer marketing strategy is on the rise. Global businesses that employ influencer marketing strategies stand to gain significant advantages in the present day. (Khamis et al., 2016) The proliferation of social media platforms such as Instagram, Facebook, and YouTube has facilitated the ability of ordinary people to disseminate their ideas and perspectives on a global scale. Brown & Fiorella (2013) define social media influencers as those with a sizeable online following and the ability to affect the perspectives and attitudes of their followers. Influencers have the ability to effectively persuade their audience to embrace novel experiences, including the utilization of already familiar products and services. Influencer marketing entails the strategic utilization of influential individuals within a particular industry to endorse and advocate for a company. This study seeks to examine the impact of using influencers as a brand promotion strategy, establishing strong relationships with influencers, and achieving marketing objectives by utilizing influencers' services (Brown & Fiorella, 2013). This study examines the implementation of an influencer marketing strategy by an

Indian application based online shopping service that specializes in fast-moving consumer goods (FMCG) that have a limited shelf life and are susceptible to deterioration, such as fresh produce, fruits, and various meats. Start-up company uses the influencer marketing strategy in promoting its products on social media during the COVID-19 pandemic in India. In a year ravaged by Covid-19, influencer marketing witnessed a massive growth in spending by leading brands and agencies to the tune of over 40 percent (year-on-year) growth. Insights delivered from a nationwide survey conducted by Zefmo Media Private Limited indicate that during the lockdown, influencer marketing became the go-to strategy for brands to reach out to their target audiences. Here's more on influencer marketing data for 2022. Numerous studies on pertinent topics have been conducted previously. According to the researchers' list, there were a total of five studies carried out during the outbreak. It is essential to emphasize that Ratnapertiwi and coworkers (2021) investigate the significance of influencers and digital content in the context of marketing during the COVID-19 pandemic. Yuliana et al. (2022) conducted a study on the impact of influencers on pandemic-related product sales. How to Succeed in the Age of Influencer Marketing on Instagram, TikTok, and Beyond (Haenlein et al., 2020) is a publication in which the authors discuss strategies for achieving success in the domain of influencer marketing across various social media platforms. Al Shehri (2021)

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examined the significance of gender, age, and product type in the context of influencer marketing in a recent study. This discussion focuses on influencer marketing and its function in supporting sales promotions.

1.1. Promotional Efforts.

According to Kotler and Armstrong (2018), Successful organizations recognize the significance of creating value for consumers in order to extract value from them. According to Dharmmesta and Irawan (2008), marketing is viewed as an essential task for business proprietors, as it plays a crucial role in ensuring their survival, growth, and financial success. In conclusion, marketing is a business activity that suppliers engage in to meet the wants and needs of consumers. A company's success depends on the implementation of a meticulously crafted marketing strategy or plan. The marketing mix incorporates a variety of marketing strategies or plan components. The integration of four essential components, namely products, price, promotion, and distribution, according to Kotler and Armstrong (2018), is the foundation of an effective marketing strategy, which influences consumer behavior. According to this viewpoint, the marketing blend is comprised of the 4Ps. The 7Ps, which include product, pricing, location, promotion, proof (tangible evidence), and people (procedures), are a collection of marketing instruments that have evolved alongside the progress of marketing research.

1.2. Promotional Communication

According to the Institute of Internal Auditors' (IIA) Standards for the Professional Practice of Internal Auditing, any entity that is observable, tangible, acquirable, or utilized by the general public qualifies as a form of marketing communication. According to Kotler and Keller (2016), influencer marketing is a strategic approach to marketing communication that seeks to both inform and persuade consumers. There are several elements in marketing communication shown by figure 1.



Figure 1 Elements of Marketing Communication

- Advertising, Business-to-consumer marketing communication refers to a strategic approach that seeks to promote ideas, products, and services for

financial gain while avoiding direct human interaction.

- Direct marketing, Direct-to-consumer (D2C) refers to the practice of selling items or services directly to end consumers, bypassing the involvement of intermediaries, with the aim of eliciting an immediate response.
- Digital or internet marketing, Digital marketing refers to the promotional activities conducted on internet-based platforms, encompassing various strategies such as social media marketing, mobile marketing, and interactive media.
- Social media marketing, mobile marketing, and interactive media are only few of the promotional tactics that fall under the umbrella term digital marketing.
- The primary goal of public relations is to increase positive perceptions of an organization and the values it espouses (Belch & Belch, 2017). This study concentrates on influencer marketing, which refers to the promotion of products or services via digital platforms or the internet.

2. Digital Marketing

The practice of marketing involves the distribution and sale of products on a larger scale due to a heightened understanding of the specific preferences of local clientele (Chaffey & Smith, 2017). Two results of digital marketing are the expansion of distribution channels and the increase in sales. Digital marketing may be defined as the practice of marketing products that are in close proximity to customers, achieved via a comprehensive awareness of their demands (Chaffey & Ellis-Chadwick, 2016). In summary, digital marketing is a marketing strategy that leverages technology and digital media to enhance sales and improve customer convenience. To leverage digital platforms for the promotion of products and services, Chaffey and Smith offer a variety of digital channel shown in figure 2.

- Search engine marketing (SEM) which is useful for placing messages in search engines and driving clicks to websites when users use keywords to search for something.
- Online public relations via brand mentions and product placement on third-party websites such as media sites, social networks, and blogs that the target audience may visit.
- Long-term online partnerships with third parties, such as online sponsors and cobranding.
- Interactive advertising which uses online display ads to raise brand awareness and drive clicks to specific websites.

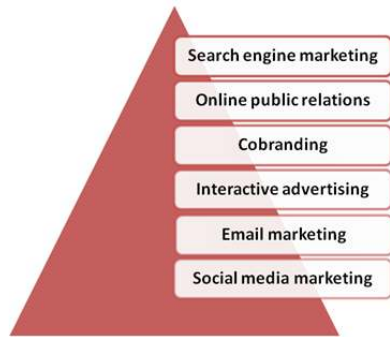


Figure 2 Variety of Digital Channel

- Email marketing is defined as an offer or information sent directly to a user's email to increase awareness or direct response.
- Social media marketing (SMM) to strengthen messages through social network comments and sharing, viral marketing, or word-of-mouth marketing (Chaffey & Smith, 2017). This research focuses on an influencer marketing strategy that is included in social media marketing (SMM) channels.

3. Influencer Marketing

The concept of influencer marketing refers to a form of advertising that relies heavily on social media platforms and online endorsements. According to Brown and Fiorella (2013), the Internet and social media have facilitated the emergence of individuals who can serve as news sources, thought leaders, and influencers. According to Brown and Hayes (2008), influencers are non-responsible third parties that have a significant impact on a consumer's purchasing decision-making process. Influencer marketing is a contemporary public relations strategy that prioritizes the engagement of individuals whose advice and recommendations are sought after by one's target audience. These Influencers influence the purchasing decisions of those who seek and value their expertise, read their blogs, interact with them on discussion forums, attend their presentations at industry events, etc. (Brown & Hayes, 2008).

4. Discussion

Fast-moving consumer goods (FMCG) are products that sell quickly but are consumed by the buyer rather than resold (Sugiarta, 2011). The FMCG market consists of products that are low priced, widely available, and rapidly consumed (Leahy, 2011). Research results showed that influencer marketing strategy conducted by the provider of FMCG products based on application consisted of four stages. It is shown in figure 3.



Figure 3 Stages of Influencer marketing Strategies

4.1. The Influencer Marketing Determination of FMCG Products

To facilitate the trickle phase, brands develop buyer personas that include information such as target demographics, geographic areas, shopping preferences, the technology that allows brands to adapt to influencers, and the message that should be delivered to the influencer's audience (Brown & Fiorella, 2013). According to the findings of the in depth interviews with each source, the branding specialist in the branding department has the final say when it comes to identifying key opinion leaders. At this point, the branding expert and the product marketing and merchandising group have to work together to decide which products will be highlighted. Then, develop a central concept that connects the influencers' own brand identities to the product being pushed. Management, the Chief Creative Officer, and the rest of the branding team may all contribute ideas and insights based on demographics, geography, consumer habits, and technological developments, as the research shows.

4.2. The Influencer Marketing Management of FMCG Products

The seven-step second management phase consisted of product, knowledge, calendar, message, platform, alternate, and feedback (Brown & Fiorella, 2013). According to the authors of the study, partnering with influential individuals involves more than simply checking a box on a collaboration agreement; it involves cultivating meaningful relationships that can result in future advantages for both parties. It is important to consider the following factors when managing influencers: the influencers' familiarity with the company and its products; the influencers' preferred platform for uploading content; a backup plan in case their audience reacts negatively to what they share; and the influencers' feedback gleaned from their interactions with the audience and the company's products.

4.3. The Influencer Marketing Monitoring of FMCG Products

In order to assess the effectiveness of their influencer marketing efforts, brands should diligently consider and analyze several monitoring indicators, such as measurements of awareness, reaction, and action (Brown & Fiorella, 2013). The branding specialists conducted a study to monitor three specific time points following the publication of an influencer's content on the internet: immediately after it was published, three days thereafter, and seven days thereafter. The PR Package is a tool used to monitor the number of influencers that voluntarily provide brand-related material without receiving any form of payment. The data of compensated influencers was monitored, encompassing metrics such as their reach, impressions, profile visits, and link clicks. Additionally, the concept of conversion, which exclusively pertains to compensated influencers, was examined by tracking the frequency with which their audience utilized the influencer's unique code after it was incorporated into content.

4.4 The Influencer Marketing Measurement of FMCG Products

The fourth stage is the evaluation (measure) stage, in which brands must evaluate each influencer's completed marketing campaign to improve or create new strategies if previous targets were not met (Brown & Fiorella, 2013). Therefore, brands need to evaluate two core metrics for each influencer marketing campaign:

- i. Investment, resources, and the end product can all be used as brand measures. The value of the campaign can be measured by comparing the influencers' individual budgets. The number of employees assigned to an influencer is a good proxy for the available resources. Finally, the cost of providing samples of the product to influencers during the marketing campaign can be used as a proxy for the product's value.
- ii. Influencer metrics that incorporate both the frequency and magnitude of impact. The ratio can be determined by quantifying the number of audience presentations that incorporate uploaded content from influencers. The term sentiment or "brand sentiment" refers to the evaluation of individuals' emotions towards a brand or product as well as their response to the marketing strategies employed. The assessment of impact can be conducted through the examination of several indicators, such as the level of engagement observed in the company's marketing efforts on the Instagram platform, the extent of user-generated

content pertaining to the purchase of fast-moving consumer goods (FMCG) facilitated by the application, and the quantification of sales resulting from the utilization of the influencer's unique promotional code. Each influencer involved in the marketing campaign would be provided with a unique code to distribute among their followers, with the sole purpose of facilitating their participation.

5. Conclusion

In this paper FMCG start up's influencer marketing is found in four phases. We find the first step is to create a list of potential influences for the FMCG product's marketing campaign. During the second phase, we are known as influencer marketing management, seven components are put into effect: products, knowledge, calendars, messages, platforms, alternatives, and feedback. Products are sent to influencers on their big days (such as when they have children, get married, or celebrate significant holidays like Holi, Diwali, Eid Mubarak, and Christmas) as a way to maintain positive relationships with them. In the third phase, we found the influencer's marketing efforts by looking at two metrics: brand mentions and conversions. Finally, ratio, sentiment, and effect are used to evaluate influencer marketing efforts. Unfortunately, the Indian application based FMCG provider has not examined brand KPIs. Based on the results obtained, it can be concluded that this strategy follows a cyclical pattern. We found in the final phase that it will shape the subsequent campaign's influencer marketing. Researchers and startup firms can promote affiliate marketing to their clients to advertise FMCG products, increase influencer loyalty, and motivate influencers to push products to produce sales. This type of company may also partner with traditional market sellers to target offline community members.

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