

St. Petersburg University  
Graduate School of Management  
Master in Management

## **Digital marketing strategies of companies in FMCG market**

Master's Thesis by the 2nd year student  
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## ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

Я, Тепляшин Денис Вячеславович, студент второго курса магистратуры направления «Менеджмент», заявляю, что в моей магистерской диссертации на тему «Лучшие практики и факторы успеха цифровых стратегий в маркетинге на рынке FMCG», представленной в службу обеспечения программ магистратуры для последующей передачи в государственную аттестационную комиссию для публичной защиты, не содержится элементов плагиата.

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## АННОТАЦИЯ

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Описание цели, задач и основных результатов	Главной целью данной работы является анализ использования инструментов цифрового маркетинга компаниями, работающими на рынке FMCG. Для того, чтобы достигнуть этой цели, был проведен анализ вторичных источников, а так же анализ кейсов (из выборки 50 кейсов). Результаты показали какие цифровые инструменты являются наиболее эффективными, какие факторы успеха существуют для этих инструментов и был проведен сравнительный анализ топ компаний на рынке FMCG . Таким образом, данная работа будет полезна для практиков, работающих на рынке FMCG.
Ключевые слова	Цифровой маркетинг, FMCG, Маркетинг социальных сетей, контент маркетинг, поисковый маркетинг анализ кейсов

## ABSTRACT

Master Student's Name	Denis Tepliashin
Master Thesis Title	Digital marketing strategies of companies in FMCG market
Faculty	Graduate School of Management
Main field of study	Informational technologies and innovative management
Year	2018
Academic Advisor's Name	Smirnova Maria
Description of the goal, tasks and main results	Main goal of this thesis is to analyze the utilization of digital marketing tools in FMCG companies in contemporary market. In order to achieve this goal, secondary data analysis and case studies analysis (sample of 50 cases) were conducted. The results showed which digital marketing tools are effective, what success factors of those digital tools and the comparison of top companies in FMCG market was conducted. Thus, this thesis shall prove to be usefull for practitioners in FMCG market.
Keywords	Digital marketing, FMCG, Social Media Marketing, Content Marketing, Search Engine Marketing, Case Studies

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## INTRODUCTION

Twenty first century can be called an informational age, as of now the biggest asset and source of competitive advantage is information. Moreover, it is not only about the information itself, but how it is being kept and transferred, which is made online. World has gone digital in that scale, which is even unimaginable. New ways of communicating, socializing, playing, buying are implemented so rapid, that it is hard to keep up with the pace. And if for individuals it is rather not considered as a problem, for companies it is and a huge one. It is vital for organizations to be as adaptable and technologically advanced as possible not for being number one in their niche but to remain competitive in general. And here came a significant change in organizations strategies – implementation of digital marketing. To be more precise, digital marketing is the marketing of products or services using digital channels to reach consumers. The key is to promote brands through various forms of digital media (Financial Times, 2015). Taking into consideration that those digital media forms are rapidly changing, it is a challenge for company to choose their digital marketing strategy correctly.

Main aim of this paper is to find out different approaches and methods towards digital marketing and to evaluate which of them prove to be the most efficient. Also, there will be different cases from real practices, where it shall be analyzed why one digital marketing strategy might be efficient, while the other one might not.

However, before digging deeper into the topic, it is needed to be said that there are certain limitations to the research. For instance, the whole topic of digital marketing is relatively new, which means that this phenomenon is not completely understood. Second thing is that digital marketing is changing as much as the technologies and world itself are changing. This means, that most of the outcomes of this research might prove useful short-term, but it is questionable weather it is going to be meaningful in long-term. Third limitation is the confidentiality of the information about the digital marketing strategies. During the analysis it was seen, that companies cannot really share the detailed information about their digital marketing as it is one of the hugest competitive advantages in modern market. Also, this type of information is not shared because even the change of name of a company which will share its strategy, the most important thing is the strategy itself, not the company. In that matter companies were ready to share their outdated strategies which would not truly add any value to current studies of the digital marketing aspect.

What is important to mention is that this thesis is based majorly on desk research and case studies. In case of desk research, it means using scientific publications, professional literature both online and offline. When we speak about the case studies, it is important to mention that cases will contain not only major and systematic examples of overall strategies, but more specific instruments shall be seen as cases as well: using one or several particular digital marketing tools to achieve better results in business operations.

Taking into consideration all the above mentioned, this research has relevance and managerial implications for companies. The results of this thesis will be useful for different groups of people:

- For marketing managers in general
- For FMCG companies
- For FMCG marketing managers in particular
- For people who are generally interested in digital marketing

The following research **goal** was formulated:

- To analyze the utilization of digital marketing tools in FMCG companies in contemporary market

The following research **objectives** were formulated:

- 1) To describe digital marketing phenomenon
- 2) To find the most efficient digital marketing tools
- 3) To describe the success factors of the digital marketing tools

**Research object** in this thesis are International FMCG companies. **Research subject** is the digital marketing strategies and specific features which are used by companies.

Research problem of this study consists of lack of comparative analysis of the best digital marketing tools in FMCG market.

Research questions are the following:

**(RQ1)** Which digital marketing tools are used by FMCG companies around the world that proved to be more effective in achieving digital marketing strategies objectives?

**(RQ2)** What are success factors of digital marketing tools?

**(RQ3)** What are the main differences in digital marketing utilization between major companies in FMCG market?

This study is based on qualitative research approach, which is chosen according to stated research goal and which allows to investigate research questions.

After the analysis of the articles and textbooks on the researched topic it was inferred that secondary data analysis and case studies analysis are the most appropriate research methods for achieving the main goal of this thesis. Secondary data includes journals, internal documents of the company and reports. Also case studies were used as a secondary data as well due to the difficulties of achieving the primary data from companies.

The master thesis consists of three stages of research. The first stage is the theoretical chapter, which concentrated on investigating digital marketing in general as a phenomenon and a vital tool in modern companies.

The second chapter includes research methodology. Secondary data collection and case studies are used in the thesis. For achieving research goal several case studies of major FMCG companies/competitors were analyzed

The third chapter includes analysis of case studies of FMCG companies with looking for patterns of success of recent marketing campaigns. Also, there is an overall discussion not only about the cases of the companies presented in this paper, but those cases which were found yet not included in paper as they refer to different type of FMCG companies and comparing those companies would have been irrelevant due to major differences in their operations.

The research is conducted on the basis of around a sixty sources, which include scientific articles, books, industry reports and conference papers. The sources were found in such databases as EBSCO, Emerald, JSTOR, Elsevier, Taylor & Francis, Wiley Interscience, Bloomberg, Marketline and Euromonitor.

# CHAPTER 1. THEORETICAL FRAMEWORK

## 1.1 Terminology.

To begin with, it is vital to understand what is the digital marketing and what is its difference from the classic marketing and also what features does digital marketing offer. The simplest definition of digital marketing is given by Financial times in 2015 - digital marketing is the marketing of products or services using digital channels to reach consumers. However, if we are to search for deeper and more specific definition, we might just use the one, which is given in Technopedia. Digital marketing is a term, which refers to various promotional techniques in order to reach customers via digital technologies. (Technopedia, 2015). It is also important to mention that Digital marketing is often called Internet marketing which is not completely true. Digital marketing is more targeted, measurable and interactive rather than Internet Marketing. Moreover, digital does not necessarily mean internet, as there are various tools, one of which is using SMS or MMS on mobile phones/smartphones.

Cait Lamberton and Andrew T. Stephen offered another terminology. Despite just calling current phenomenon “Digital Marketing”, they suggest that it shall be called DSMM marketing (Digital, Social Media and Mobile). The reason behind this lies in their analysis of the history of DSMM marketing, which they broke up in 3 different eras with different themes (Lamberton & Stephen, 2016):

- Era of Digital Media Shapes and Facilitates Buyer Behaviour (2000-2004)
  - Theme 1. Internet as a platform for Individual Expression. It was recognized very early, that Internet could help individuals by providing communication lines with other consumers.
  - Theme 2. Internet as Search and Decision support tool. Not internet was only for self expression and to show people individuality, but it was also for finding more information about the features of goods and services, which helped to make a best decision for the consumer
  - Theme 3. Internet as Marketing Intelligence Tool. Internet helped to predict consumer’s behavior and preferences, which gave a huge advantage to companies with such information
- Era of consumers shape DSMM marketing (2005-2010)
  - Theme 1. Online WOM (word of mouth) as Individual Expression valuable to Marketing. If at the early 2000s, such things as chats and blogs were relatively rare, in 2005 -2010 it began to be very popular

and was used to share opinions with other people and it became more connected to marketing.

- Themes 2 and 3. Digital networks as tools for information and value. In Era 1, it was supposed that Internet could be a great help for the customers and a source of information for Marketing. In Era 2 these two ideas combine.
- Era of Social Media (2011-2015).
  - Theme 1. Individual Self-Expression as a Means of Amplifying or Dulling Marketing Actions. Due to increased popularity of social networks, WOM streams became to be even more significant than before, which could either amplify or undermine the marketing policy in the company
  - Theme 2. User-generated content as Marketing tool. While in Era 1 and 2 people were mostly looking for the content online, in Era 3 their online activity helps to create a new content, which became a new tool for marketing.
  - Theme 3. Capturing Marketing Intelligence in Specific Social Media Platforms. It means studying particular Social Networks, which proved to be the most popular ones, like Facebook, Instagram, Twitter, LinkedIn.

Not only Lamberton and Stephen were describing current history of the term DSMM marketing and how it was investigated, they also were looking into future possible problems and into current and possible researches to come in this area and so they point out that 4th Era has started:

- The new era. Rise of DSMM Culture and post digital world.
  - Themes 1 and 2. Revisiting Consumer Expression and Internet as a Tool. Continuation of the researches in WOM area. Reexamination of consumer expressions. Rethinking of digital advertising.
  - Theme 3. Improved tools of Data Analysis and Rethinking of Internet as a Marketing Intelligence source. Development of new filters to predict consumers preferences. In comparison to previous eras, the amount of data rose significantly, so as did the analytical tools which leads to more efficient marketing policy.

Overall, what we can see is that there are different approaches to the terminology and how to exactly name it, but what remains is the meaning of what people put into the terminology – digital marketing is a marketing which uses modern marketing channels, which are: Internet, Social Networks, Mobilephones.

## **1.2 Digital marketing background.**

Another thing which is crucial to figure out is the whole reason behind the digital marketing. It lies in changes of consumer behavior due to technological progress. It is very well described in a book: “Understanding Digital Marketing. Marketing Strategies for engaging the digital generation” by Damian Ryan and Calvin Jones. Analyst in Jupiter Research identified seven most important ways in which consumer behavior is influenced due to technological progress (Ryan & Jones, 2010):

Interconnectivity. Network digital technology made it possible for consumers to communicate in more effective way and with low time costs. It can be done via e-mail, IM (instant messaging), mobile messaging or using social networks, such as Facebook, Twitter, LinkedIn, Instagram. Although, it is most probable, that consumers would use a mix of these platforms. Due to these technologies, people can find others, who are thinking like themselves and they do not care about distances and time zones as these issues are fully neglected by usage of internet and creating online communities

Technology is leveling the information playing field. Because of the technological progress, new content can be generated very quickly and easily. It can also be accessed and consumed in same way as it is being generated. In a result, we have an unprecedented amount of information, opinions and news, which is very accessible. Now, any consumer can conduct an unbiased research in order to choose which product for him to buy. This shifts the balance of information to the consumers

Increasing of Relevance filtering. The drawback of the amount of information today is that it is very difficult to find exactly what you need, which made the process of filtering vital for the consumers. They like to have information categorized and organized. They also start to use additional software which blocks any irrelevant and unsolicited content and advertisements much more often.

Growing of Niche aggregation. The diversity of online content encourage consumers to participate and to fulfil their hobbies and interests (both professional and personal). Those people who share their interests and preferences congregate online. What used to be

homogeneous mass consumer population is now broken up in much smaller niches with quite different individual requirements.

Rise of Micropublishing of personal content. Current technological level makes it possible for people to share their opinion online. Main advantage of it is that the time needed for publishing such content is practically very little and demands just a little bit of imagination. Also, sources where one can publish his content is nearly endless: discussion forums, message boards, forums, blogs, feedback forms and many others. This content is made for everyone to see and now people discuss their opinion with others in order to decide weather to buy or not to buy one particular good.

Rise of the “Prosumer”. Online consumers are very involved with the creation of products and services that they buy later, which shifts the balance from producer to consumer. The level of interaction between the two is unprecedentedly high. People can now individualize and customize goods according to their needs and their preferences. Because of that, mass production and mass marketing is going to become obsolete in a nearest future.

On demand. Any time, any where, any how. Digital technology is vital and irreplaceable nowadays, which lead to acceleration of business processes. It also means that consumers can satisfy their needs faster and easier than ever before. Such things as geography, location and time zones are becoming irrelevant. If one wants something, he will get it as soon as possible.

These changes are very convenient from the consumer point of view as they got more power in the market, while for the companies and marketers in particular this proved to become a huge challenge. Which is why digital marketing was developed as a concept.

### **1.3 Digital marketing strategy.**

Before moving on to the digital marketing, it is important to grasp what is a marketing strategy and what is a digital marketing strategy.

In this paper, marketing strategy shall be defined as a complex of actions, tools and features that ensures achieving company’s marketing goals and objectives. (Kingsnorth, 2016)

In order to understand this term better, it is important to figure out which goals and objectives company want to achieve. Generally, there are four main goals that companies are trying to achieve:

1. Increase of sales. For any profit oriented company the most important metric is the amount of sales and revenue gained by it. Marketing should have a good

return on investment which means that the amount of sales should exceed the costs of marketing by a lot. It is quite important to set a specific goal, meaning that rather than stating that company needs to raise their sales by a specific percent, it should aim at increasing sales at a specific target audience and/or geographical market

2. Improve product awareness. Another very important goal which is set in marketing is to increase the interest in companies products weather it was at market for a long time or the product is about to launch.
3. Establishing in the industry. This means companies aim to find itself a place in the industry which will satisfy the managers of the company. The possible objective is “to become one of the top-5 companies in FMCG market in the US”
4. Brand awareness. This goal is about the perception of companies image among its key target audience and to increase popularity of the brand in general

Overall, marketing strategy is aligned to these key goals and every company specify their goals differently, however strategies among the companies are the same, as all of them want to achieve 4 goals mentioned above.

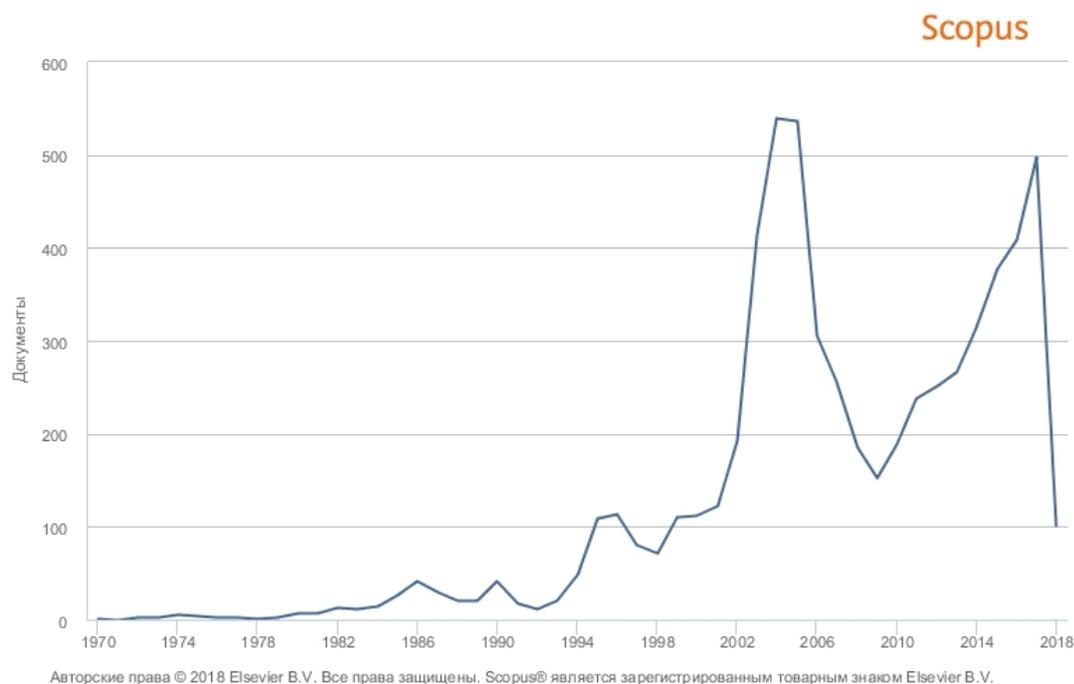
For a last decade, the new phenomenon of digital marketing arose and the big issue was to understand the place of digital marketing in company strategy. Surprisingly, in 2017 only 50% of the companies can say that they have a digital marketing strategy (integrated or separated from marketing strategy) (Smart Insights, 2018). This means that a lot of companies are blindly using digital technologies, which are not aligned to the goals of the company, that create a huge gap for improvement.

Digital marketing strategy is not a separate from marketing strategy as they both strive for the same goals though utilizing different tools and features. Thus, in this research, digital marketing strategy is assumed to achieve the main marketing goals. What is vital to point out is that strategies do not differ that much among the companies. However, the ways in which digital marketing accomplish and fulfil their strategies differ in a significant way. That is why, this research is more focused on digital marketing tools and features rather than on strategies themselves.

#### **1.4 Publications trends in digital marketing.**

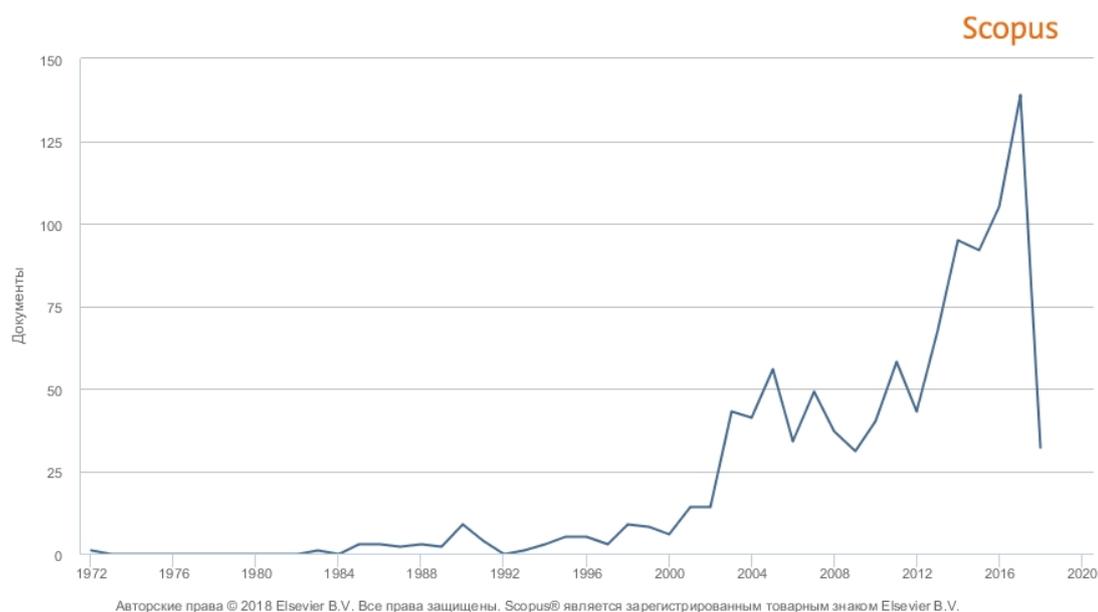
In order to better understand in which way the phenomenon of digital marketing is going, it is important to investigate deeper in the research already conducted by professionals in business sphere. One of the best ways to see it is to use Scopus. Interestingly enough, there

are over 6300 publications on the topic and what is the most interesting here is the curve of the amount of publications on the topic:



*Graph 1. Amount of documents published with key words “digital marketing”*

According to the graph above, we can make a vital observation: Interest in digital marketing is growing with each year and professionals write a large amount of articles on the topic. However, in comparison, it is vital to see, how many articles are published not just about digital marketing, rather on digital marketing strategies.



*Graph 2. Amount of documents published with key words “digital marketing strategy”*

It is obvious that there is a certain trend in creating more materials about strategy in digital marketing, however, in 2012-2017 period, there are only 25% of all digital marketing publications that speak about strategy and strategic approach, which is certainly not that large. This means that while overall digital marketing is very popular theme to discuss about, the strategic approach in digital marketing is much less popular.

Another thing, which was very important to find out are the trends in digital marketing topic and to see the path it went down in recent years. Due to the analysis of the keywords, it was seen, that in 2015, the most amount of publications was about social networking and about electronic commerce. In 2016, it was about social networking and e-commerce with a rise of interest in big data sphere. In 2017, it was a well proportion between social platforms and big data. It is quite difficult to evaluate the most troublesome topic of 2018 as it has only just begun, though as of little amount of publications written this year, the topic of social networking and social media is still one of the most prioritized. According to that, we can make a conclusion, that despite last 3 years, topic of social media was quite highly discussed, it is still one of the biggest theme, which is still relevant and which is still being looked into.

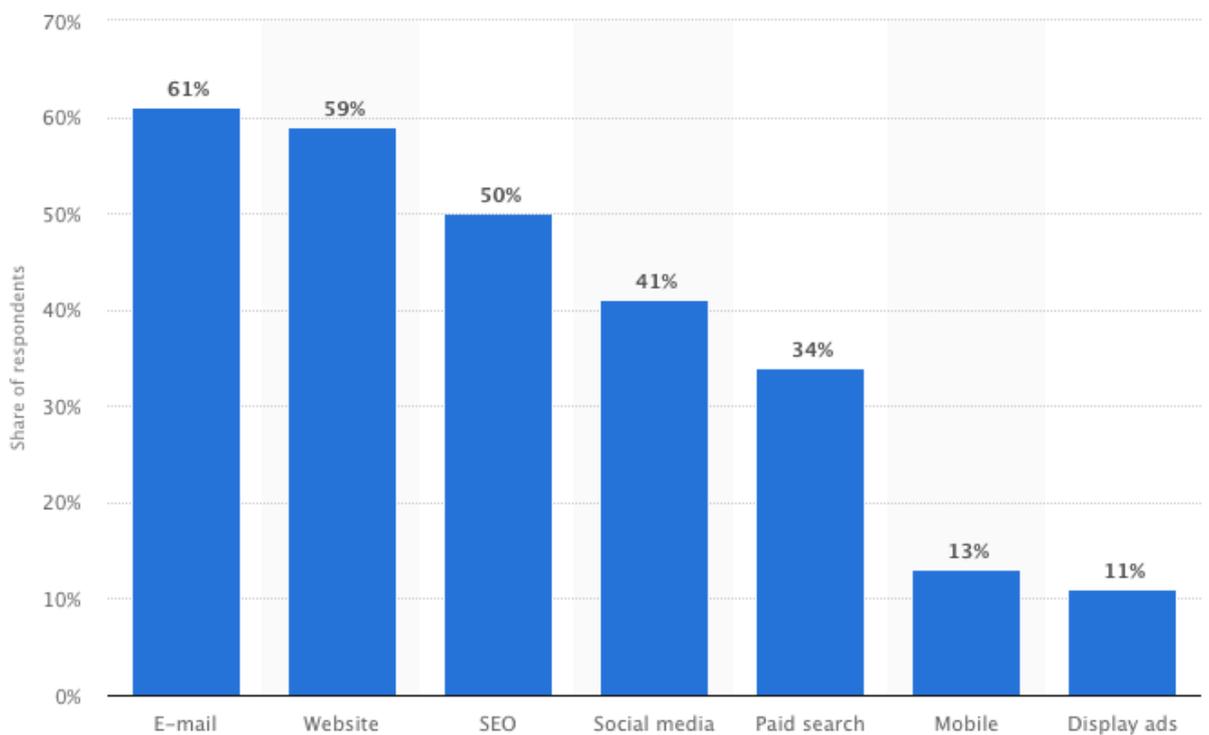
What was also curious, is what professional business consultants think about the digital marketing right now and where it will go in a nearest future. The most competent consultants in these days are working in so-called “Big 3”, which is Boston Consulting Group (BCG), McKinsey&Company and Bain&Company. Here is what the consultants came up with. They are saying that Digital marketing revolution has only just begun, despite the fact that this phenomenon is known for nearly a decade. In the USA, it actually goes on par with TV advertisement and is on its way to surpass television commercials. What consultants say is that marketers need to evolve as what worked 10 years ago is not going to work right now and that there are three main forces that push digital marketing forward:

1. Access to large quantities of real-time data to inform their campaigns
2. Ability to engage in long-term, omnichannel relationships with consumers (as opposed to one-way, scattershot interactions)
3. Flexibility to deploy multiple concepts and gather real-time feedback from customers

Also, consultants say about the reasoning for why should companies change and evolve rather drastically:

1. Consumer behaviour is changing very quickly. Printed newspapers and magazines became obsolete among younger generation, as it uses more social media than anything else. Even the broadcast television is losing ground right now. However, this does not mean that people are consuming less media. It is quite the contrary, though while average time of traditional media consumption is going down, digital media consumption is increasing much faster. It is important to mention that people are very tech savvy nowadays (about 25% have some sort of AdBlocker installed on their smartphones and their computers, according to eMarketer). People are relying more on the opinion of people they trust, as personal recommendations are 5 times more effective and trustfull than brand marketing, according to Word of Mouth Association.
2. Advertisers are following consumers online. Although total ad spending is still growing slightly ahead of GDP, much of this growth is in digital advertising. Globally, since 2011, spending on mobile online video has doubled year on year and spending on social media advertising has grown 40% to 60% per year, according to Magna. We are rapidly reaching the point when companies will spend more on social, search, online video, and display advertising than they will on traditional platforms. But it's not just the advertising venues that have changed. Innovators have brought new advertising technologies into the marketplace, allowing for much more personalized and targeted advertising. New ad properties that allow for video insertion are rapidly replacing flat display ads. Specific ads can now be targeted at a particular audience or type of consumer. Data and analytics encourage test-and-learn experimentation and ad purchasing through automated platforms and auctions. All told, personalized advertising could constitute 80% of digital marketing budgets within three to five years (and will increasingly penetrate traditional media as well).

What is also important is to see, what professional marketers think of the digital marketing and the most effective tools for it in contemporary market. According to Statista here is a graph that shows the most effective:



*Graph 3. Most effective digital marketing tactics*

As it is shown above the most effective tactics are E-mails, Website Optimization, Search Engine optimization and Social Media Marketing. What is interesting in that study as well, is that it also looks into the most difficult tactics to execute and that are SEO and Social media marketing, while using e-mail and website optimization are considered to be one of the easiest. It is important to mention that this study was conducted in 2016 among 275 marketing professionals in the world (<https://proactivereport.com/best-most-difficult-digital-pr-and-marketing-tactics/>) and 66% of them are working in B2B market. This, particularly, explains the reason why e-mail is considered to be the most effective, as this tool is much more often used in B2B segment, rather than B2C, because they pursue different aims. On the other hand, as the trend of personalizing marketing is one of the most important, e-mails are one of the most valuable tools for personalization. According to survey of marketers in 2016, the most effective e-mail tactic is personalization (over 60% of professionals use e-mails for that purpose).

Another very important change occurred in recent years is the emergence of a new type of consumer. A global study of the Center of Digital Future (2014) studied this new consumer in the US, China, UK and Brazil. The main conclusion is that technology fundamentally changed the lifestyle: people nowadays are prone to integrate technology in all

aspects of life. Very visible examples of these are digitally controlled household devices, mobile payments and online shopping. Some researchers speak of technology dependence. Keller (2009) found out that the introduction of digital technology also changed information processing: the consumer chooses if, how, when and where he or she processes information. This new type of consumer is always online and interconnected with others through mobile devices. They share information, both positive and negative experiences and opinions and of course they also-discuss brands, products and services online. Both the ability for consumers to communicate anywhere anytime and their unlimited access to information has changed their previous relationship with consumer brands significantly. The obsolete tenet of traditional advertising of merely pushing advertising messages to consumers does not apply anymore. Vast research shows that consumers are fed up with advertising and actively try to avoid it (Center of the Digital Future, 2014). Because of easier access to information on the internet, the consumer is empowered to choose what kind of information he or she digests. This makes it hard for marketers to still grasp the attention of the consumer which marks the end of mass-communication. People are better informed and brand advertisements are not their only source of information anymore. Consequently, consumers nowadays prefer to look at other sources of information, like opinions of others instead of branding messages. There is a shift from command-and-control marketing or interruption marketing by advertisers towards permission marketing. Moreover, the increased requirements and expectations consumers have towards brands signify the shift of power towards this consumer (Cadden & Lueder, 2012; Strauss, 2012). He or she chooses if, how, when and where companies may interact with him or her. Companies should rethink how they communicate and advertise online. Research shows that consumers allow companies to advertise if these messages meet three important conditions: creating relevance, engage with the customer and give the opportunity to interact and share experiences with other customers. These three conditions are explained here:

1. Relevant advertising instead of traditional advertising. The promise of traditional advertising is no longer sufficient today because consumers have the feeling it doesn't offer anything relevant for them (Golan & Zaidner, 2008). Moreover, they perceive unsought advertising messages as displeased and disrespectful. However, consumers are aware of the importance of their attention for marketers and use this knowledge to their advantage. These consumers don't mind advertisements if brands deliver valuable services for them hence vague promises by brands and push advertisements

are no longer sufficient (Center of Digital Future, 2014). Brands should create services that are user-centric, useful and add some real value to peoples' lives. For example, brand-created tools like a mobile app. There is an evolution towards content marketing: "Content marketing is the process of delivering brand value to an audience by publishing branded content designed to help or entertain in order to earn attention rather than pay for it" (Marsden, 2014, p.1). To sum, marketers and advertisers should earn the scarce bit of attention of their consumers in this high-attention world.

2. Consumers want to engage with brands. Because consumers intercommunicate on a continuous basis, they also expect direct communication between consumers and brands in real-time, 24/7 (Cadden & Lueder, 2012). They want companies to listen and respond in order to show their engagement towards them. Companies should be ready 24/7 to answer questions, react to opinions and remarks. There is an urgent sense of "right here, right now". Not only do they want companies to listen, consumers are often willing to have a conversation with a brand (Kietzmann et al., 2011;). A watch-out is that these online communications with consumers should be honest and authentic in order to establish long term and valuable relationships with the consumer. Consumers appreciate companies that consistently show authenticity, humanity and transparency. In this way, companies can strive to create brand lovers with true brand engagement. These are consumers that have a sincere interest in the brand or campaign, feel emotionally attached and interact with the brand. A prerequisite for companies is that they should establish an ongoing communication plan (Yannopoulos, 2011). Companies can do this by informing the customer and provide tools for customers to communicate their opinions, thoughts and questions. Social media is the ultimate way for companies to directly engage with their customer. Social media is the umbrella term of blogs, forums, multimedia and social networking websites which are used for social shopping, review marketing, social customer support and viral marketing (Kumar et al., 2013). They have the potential to directly respond and converse with current or new customers about the brand or build relationships. Real-time engagement on social media provides valuable opportunities for brands to satisfy customers; help them and delight them. Companies have acknowledged the importance of social media. Nowadays, companies assign increasingly higher budget on social media (Kumar et al., 2013) because of its high response rates and customer engagement (Trusov et al. 2009). However, multiple studies (Kaplan & Haenlein, 2010) show that still a lot of companies are reluctant or

unable to develop strategies and allocate resources to actively engage with their audience on social media.

3. Consumers want to listen to other consumers. Digital marketing is all about conversations; primarily between peers and mainly on social networking. Companies need to join the conversation, because topics vary on consumers comparing, promoting, criticizing and judging products online. This communication about brands happens, with or without permission of the firms in question; marketers are no longer in charge of the message he or she would like to spread (Kietzmann et al., 2011). Online customers are empowered with tools to share, discuss, inform and control the way they perceive the marketing message together with other people, who appear to be more credible than the company itself. Consumers interact and influence each other with opinions on social media which has a direct impact on brands (Trusov et al. 2009). The buying decision is mostly influenced by mouth-to-mouth - 76% vs 15% with traditional advertising – which is no different with online conversations (Dobele et al., 2006). The global study of the Center of Digital Future (2014) showed that social media posts, online industry reviews, online consumer reviews, word-of-mouth are ranked higher in influence than traditional advertising and there is a lower barrier to write online reviews. Thus, receiving information from social media could be more influential in shifting consumers' opinions and result in higher conversions (Kumar et al., 2013). Marketers can influence this information indirectly by either gain favor or criticism from their customers (Strauss, 2012, 36). Marketers must do efforts to grasp attention and win their trust. The mutual respect will resort into a valuable long term relationship that will motivate the consumer to talk about the brand and further spread their message. This message will go on to peers with similar interests and therefore possible acquisitions. These peers are more triggered to read and be affected by the message if this is originating from peers. Certain tools can monitor, track and map these conversations to redirect and react in an appropriate time.

The shift from traditional marketing towards digital marketing has created a new type of consumer. The new type of customer resulted in turn into new purchase funnels to support the customers' purchase journey. The original purchase funnel or customer funnel is described by the AIDA model (Chandler Pepelnjak, 2009). This funnel has four different phases: people become Aware of a product or service, they begin to express an Interest, then this grows into a Desire to purchase the product or service and finally people can take Action to actually

purchasing the product or service. However, in the light of the above described changes, this traditional model and included the need for engagement into Awareness, Consideration, Preference, Action and Loyalty. The consumer journey is a combination of decisions influenced by user-generated content, recommendations from friends, peer reviews and competitive alternatives. After the purchase, a customer can turn into a brand advocate because of satisfaction and positive brand experience. A brand advocate has four stages: involvement (e.g. a qualitative durable visit to the website), interaction (e.g. a customer comment on forums, blogs and reviews), intimacy (e.g. tracking the sentiment) and influence (e.g. forward content).

To sum up, it is visible that digital marketing is going in direction towards companies current and potential customers, providing them with the value-based content. The best way to do that is to communicate with them via social media and e-mails. In order to communicate effectively, companies should gather large amounts of data which is best gained by these several methods:

- Web-analytics of websites and blogs (helps to create a profile of a customer)
- Advertisements analytics
- Mobile-app usage rate
- E-mail data

All of the above leads to a conclusion that there are several key features that marketers should look into the most:

1. Features concerning customers can find the information they want conveniently (search engine optimization)
2. Features concerning the customer get involved, so as to create more brand/product awareness and to provide them with personal approach from a company (Social media marketing/content marketing)

### **1.5 Key digital marketing features.**

According to trend analysis, there are only a few digital marketing features that needs to be analyzed: Search Engine Marketing, Social Media Marketing and Content Marketing. Thus, they are going to be analyzed deeper as it is crucial to see, how these features were developed in the first place, what they actually represent and reasons why these features are the most important.

### *Search engine marketing*

According to research of Dou et al. (2010) the majority of internet users primarily use the internet to search information: 90% of all internet users search goods and services through a search engine and more than half of internet traffic starts with a search engine (Shih, Chen & Chen, 2013). Additionally, Basu & Muyllle (2007) add the benefit of search engines to reach out to current non-consumers who could become aware of a brand through web-searches. Research emphasizes the importance of search engines for businesses. The purpose of a search engine is mostly purely information seeking (Shih, Chen & Chen, 2013). The internet user that is searching information on products and services is already interested. This is the opportune moment for companies to appear in these search results, as it leads a potential customer towards your product or service information or to your e-commerce platform. Therefore, search engines are the platforms to market product and services. Search engine marketing is the most popular component of digital marketing and therefore assigned as one of the key success factors of this study.

Search engine marketing can be accomplished in two ways. When an internet user types in certain keywords, two types of search results appear in the search engine. The top search results and links on the right-hand side are paid search results. The lower ranked search results are unsponsored or organic search results that search engines automatically show based on their relevance to the search query. As different by nature, there are hence two ways to optimize the company's website. First, by optimizing the website to fit the search engines requirements a company can receive a high rank for organic search results. Second, search engine marketing can be accomplished through search engine advertising (SEA); companies can buy their place in search engines through paid results or ads.

The ranking of search results is very important. It reflects the relevance to the search query calculated by a search algorithm. For paid search, it also reflects the highest bid. Research shows that internet users usually only look at the first 10 to 20 results and there is a strong positive correlation between the ranking on a search engine and the website traffic (Strauss, 2012, p.35).

### *Search engine optimization (SEO)*

According to the definition of Parikh & Deshmukh (2013) search engine optimization (a.k.a. SEO) is the combination of strategies and techniques to obtain a high-ranking placement in the search results page of a search which will increase the amount of visitors to a website. These techniques manipulate the site's content and technicality to attract more

incoming links from other sites which results in improved ranking (Shih, Chen & Chen, 2013). Adjusting your website to fit search engines requirements is an organic way to promote your website and its content. To put the need into perspective: 90% of users use search engines to find information; 84% of these never visit the second page of the search results (Strauss, 2012, p.35). To sum SEO is a way to improve the visibility and exposure of the goods or the site, and thus increase sales (Lee, Chiu, Liu, & Chen, 2010). Companies should ensure that their website link appears in the highest ranked organic results through search engine optimization or SEO. The importance is proven by the study of Malaga (2009) which shows that users are inclined to trust the organic results more than paid results and are more likely to purchase products from a company that scores high on organic search. The ranking of the results in search engines depends on the search engine algorithm. The crawler of search engines scans all websites with an external link on their content and uses a specific algorithm in order to determine the relevance of a website (Parikh & Desmukh, 2013). Keywords in a search query are then linked with relevant websites based on the algorithm.

Companies should try to adjust their websites, functionality, user friendly and relevant, in order to meet the requirements of the algorithm as much as possible. Companies can improve their search results by site performance, page-optimization, link building and click popularity. Companies should improve the quality of the content on the pages and increase the frequency of updating (Parikh & Desmukh, 2013). The landing page is like the entrance to a shop for the user and it should meet the requirements of the search query. Is their question being answered? Is the content understandable? In order to do this, websites should choose the right keywords to put in the backend of the website. Additionally, keywords with local or geographical content are important as they lead consumers to a company nearby (Kumar et al., 2012). Additionally, link building is key. The more links on external sources to the website, the higher the popularity of the website. Finally, click popularity is important. The more clicks on the search result, the higher the search result is ranked. An interesting unique selling point in the search result can enhance the number of clicks. An important disclaimer is that SEO is an ongoing process which needs to be re-analyzed, refined, maintained and improved throughout time (Parikh & Desmukh, 2013).

#### *Search engine advertising (SEA)*

The second way companies can work on search engine marketing is through search engine advertising – or SEA – or the phenomenon of sponsored-search advertising, where advertisers pay a fee to internet search engines to be displayed alongside organic web search

results (Ghose & Yang, 2009). Search engines like Google, Bing, Yahoo and Baidu offer these services. Unsurprisingly, Google is the biggest player with a market share of 53, 74% (Lee, Chiu, Liu, & Chen, 2010).

As mentioned before, companies can pay for a click on a sponsored search result which contains a link to the website. In search engines, the top results (max. 3) and ads on the left side can be sponsored. Paid search results appear when a search engine user types in certain keywords; for Google this service is called Google AdWords. Companies pay by a CPC (cost-per-click), CPM (cost-per-mention) or CPA (cost-per-acquisition) model. They set a budget for the campaign and the search engine figures out how often to show the advert in accordance to the budget. Advertisers with limited budget have difficulties to keep the top-ranking. Sometimes the bid prices on popular search terms are too high. These companies should make strategic choices on what keywords to invest (Shih, Chen & Chen, 2013).

As discussed in SEO, the ranking is also key with search engine advertising or SEA. This ranking is based on the algorithm of the specific search engine. The advertising position is determined by the combined result of the highest cost-per-click bid and the quality score. Companies bid on the price they want to pay for a certain keyword. The algorithm searches the relevance of the ad-text, the search key words, the history of clicks and the score of your website in performance and relevance. (Lilienthal et al., 2014).

Typically, the reason companies opt for SEA can be threefold, depending on the specific goal: a higher impression share, a higher CTR to the website or improvement of conversion rates on the website. There are a lot of benefits for SEA: an immediate top ranking is secured; targeted, controllable budget and measureable. It is important to stress that companies report a high ROI on SEA investments (Shih, Chen & Chen, 2013).

### *Social media marketing.*

Social media marketing is the use of social media platforms and websites to promote a product or service. (Felix, Hinsch, 2016). Most social media platforms have built-in data analytics tools, which enable companies to track the progress, success, and engagement of ad campaigns. Companies address a range of stakeholders through social media marketing, including current and potential customers, current and potential employees, journalists, bloggers, and the general public. There are two main platforms on which SMM is occurring: Social networking websites and mobile applications. Social networking websites allow individuals, businesses and other organizations to interact with one another and build relationships and communities online. When companies join these social

channels, consumers can interact with them directly. (Zhang, Chowdhury, 2011) Social networking sites act as word of mouth or more precisely, e-word of mouth. The Internet's ability to reach billions across the globe has given online word of mouth a powerful voice and far reach. The ability to rapidly change buying patterns and product or service acquisition and activity to a growing number of consumers is defined as an influence network. (Chang, 2012). Social networking sites and blogs allow followers to "retweet" or "repost" comments made by others about a product being promoted, which occurs quite frequently on some social media sites. (Jansen, Zhang, 2009). By repeating the message, the user's connections are able to see the message, therefore reaching more people. Because the information about the product is being put out there and is getting repeated, more traffic is brought to the product/company. (Waad, Gomez, 2013). Mobile phones usage has increased dramatically in recent years (over 5.7 billion people are using mobile phones), thus it became one of the most important tools to use in SMM. Social media can be used passively (simple monitoring the activity of internet users) and actively (direct interaction with the consumers for increasing brand awareness and data-gathering).

Usage of social media marketing is not only important, it is vital as the one-way communication with the consumers is a thing of a past and that FMCG is the most represented industry among social media (Gupta 2017). That leads to a conclusion that it is crucial to use the SMM effectively, with providing the best channels for communication not only between consumers and company but among consumers in general. That is why, further in this thesis, SMM will be analyzed through case studies.

### *Content marketing*

Content marketing is a form of marketing focused on creating, publishing, and distributing content for a targeted audience online. (Corey, 2016) It is often used by businesses in order to:

- Attract attention and generate leads
- Expand their customer base
- Generate or increase online sales
- Increase brand awareness or credibility
- Engage an online community of users

Content marketing attracts prospects and transforms prospects into customers by creating and sharing valuable free content. Content marketing helps companies create

sustainable brand loyalty, provides valuable information to consumers, and creates a willingness to purchase products from the company in the future. This relatively new form of marketing does not involve direct sales. Instead, it builds trust and rapport with the audience. (Le, 2016) Unlike other forms of online marketing, content marketing relies on anticipating and meeting an existing customer need for information, as opposed to creating demand for a new need. The idea central to content marketing is that a brand must give something valuable to get something valuable in return. Content marketing requires continuous delivery of large amounts of content, preferably within a content marketing strategy. (Lieb, 2011) When businesses pursue content marketing, the main focus should be the needs of the prospect or customer. Once a business has identified the customer's need, information can be presented in a variety of formats, including news, video, white papers, e-books, infographics, email newsletters, case studies, podcasts, how-to guides, question and answer articles, photos, blogs, etc. Most of these formats belong to the digital channel.

It is crucial to state that there is a lot of discussion in professional sphere on both terms social media and content marketing. There are two opposing points of view on this matter: that these two concepts can be one and the same (Ahmad&Musa, 2016) and that these terms are quite different from one another and have little in common. However, the most observed opinion on this matter is something in the middle – while SMM and Content marketing are different, they overlap a lot and they actually use one another in order to be effective. That is why in further analysis, these two concepts will not be completely separated, as content is being delivered through social media and, on the opposite, social media is used to deliver value based content towards its customers. However, it is important to see, which is more difficult to establish and in which of these two concepts companies differ the most.

## **1.6 Digital marketing in FMCG**

Up to this point, everything was discussed in a context of digital marketing without adjusting it to a specific industry. This study is related to digital marketing in FMCG market and thus it is important to overlook the industry state at the current state and what is being written about the digital marketing in FMCG.

First of all, it is important to understand what is FMCG. FMCG stands for Fast-Moving Consumer Goods (sometimes it is called CPG – consumer packed goods) are the products that are sold quickly at relatively low costs. The examples of such products are:

beverages, packaged foods, toiletries and other. The most known examples of FMCG companies are: Unilever, Procter&Gamble, PepsiCo, L'Oreal and etc.

Considering marketing in FMCG, like in other industries, it is switching more towards digital as it provides new benefits in a rapidly changing world.

Firstly, digital marketing helps to distinguish company's brand. As the products in this market are quite similar and the competition is intense, creation of a powerful brand is a key factor for earning consumers trust and loyalty (Haddad, 2016).

Secondly, digital marketing enables the innovative way to display a brand. Consumers are easily attracted by a good packaging (Lorange and Rembiszewski, 2014). So the more attractive a package is, the better chances it has to be noticed. The same goes not only for products, but for the companies as well and utilizing digital tools can help reach to a specific target audience, making the overall strategy more effective. Moreover, digital marketing can help to place company's products contextually (if a brand is specialized in cosmetics, it can display ads close to beauty vlogs and/or videos, while consumers are browsing the internet).

Thirdly, the great impact and the difference of digital marketing from traditional is the ability to track its effectiveness in real-time (Thain and Bradley, 2014). FMCG companies' expenses on TV commercials, printed ads and radio were always high, however it is very difficult to measure the effectiveness of the campaigns. Digital Marketing is more reliable in a matter of actual understanding whether marketing is successful or not. Due to analytic tools (Google AdWords and others), companies can recover information more reliably on such characteristics like number of impressions, click-through-rates, conversion rates and others. It also helps to identify the path that consumer followed to the final purchase. All of this makes marketing more cost-effective

Considering all of the above, it is quite obvious that digital marketing in FMCG is a vital feature which can not be ignored by no company in contemporary market. However, it is also quite important to understand what features of digital marketing are more reliable than others.

On the one hand, there is an opinion that the most optimal way to utilize digital marketing strategy is to dive into content marketing (Hall, 2015). For a long time, the main focus of marketing was one-way promotion. With the implementation of digital marketing, this trend changed towards creating user-centered content where consumer, and not the product, play the most important part. By creating informative content, companies can start a real conversation with the consumers and among the consumers themselves to create a sustainable and loyal consumer base.

On the other hand, there is an opinion that the most important is the e-mail marketing, as it is one of the cheapest marketing tools out there and it helps to personalize the relationship between company and the consumer.

Others say that search engine optimization is the most crucial point as the majority of time consumer spend searching for various types of information on search engines (Google, Yahoo, Bing). As soon as companies' corporate website or some information regarding their particular product or brand is coming on top of a search list, more people are going to companies' websites and overall raise brand awareness.

The big issue in all of this is that there is a serious lack of research, publications and overall information about the comparison of these digital marketing features and actually figuring out which exact digital marketing tools should be utilized and in which combinations.

Another big thing is that FMCG market is very competitive with a lot of big players in it and products they produce do not differ significantly from each other, which means that the brand of the company is very important. Thus, it is important to see how different companies in such a huge market use digital marketing, how unique or common they are. All of the above mentioned lead to a research gap.

## **1.7 Research gap**

Having conducted a comprehensive literature review of digital marketing, it was identified that digital marketing tools are crucial for companies not only to achieve success, but to stay competitive in general. However, digital marketing is such a broad term with so many tools included that it is vital for companies to understand which digital marketing tools need to be implemented and in which combinations.

From the literature review, it was determined that there are a lot of studies referring to digital marketing in general, however there is very little information on comparing these marketing strategies and figuring out which turned out to be better operating than others. According to this, the following research questions were formulated:

**(RQ1)** Which digital marketing tools are used by FMCG companies around the world that proved to be more effective in achieving digital marketing strategies objectives?

**(RQ2)** What are success factors of digital marketing tools?

**(RQ3)** What are the main differences in digital marketing utilization between major companies in FMCG market?

It is also noteworthy to mention that this paper is non-country specific as long as the goal of the study is to analyze what digital marketing strategies are effective in contemporary

market worldwide. Companies from all over the world can use the marketing strategies discussed in this paper as long as they have the same or close capabilities as the companies analyzed. This thesis adds value to current studies, which are limited in terms of the topic being new and rapidly changing.

Research gap exists in both theoretical and practical perspectives. From the theoretical perspective, this research contributes to the digital marketing sphere, which is being investigated in recent years and is far from being completely understood.

From the practical perspective, analysis of several case studies provide an excellent benchmark material for FMCG companies and can be used all over the world. This study also tries to clarify at its best what are the success factors of these strategies and what is vital to be taken into consideration. Thus, this study shall be valuable to managers and marketers, who are involved in digital marketing sphere.

### **Conclusion to Chapter 1.**

To sum up, it is becoming more and more obvious, that we are inevitably moving towards the world, where people would be dependent on the technologies so much, that we would not be able to survive without new technological devices and services. That is why digital marketing is becoming more and more vital for the companies not just to gain competitive advantage, but to survive in the market entirely.

At first chapter it is shown the way that digital marketing is going and that leads to an important question: How do companies need to build their digital marketing strategies, which tools to use and how to use them to be as much competitive as they can possibly be. It was described what digital marketing actually and the most used features of digital marketing were described. Moreover, it was shown the main trends in contemporary digital marketing, which showed that usage of Search engine marketing, Social media marketing and Content marketing prevails.

From the literature review it was determined that there are studies referring to digital marketing and digital marketing tools, but the number of studies regarding the most recent digital marketing tools effectiveness and their comparison in FMCG market are small and this research aims to contribute in that area of studies.

All of the above mentioned indicates that there is a research gap in the topic of digital marketing in FMCG market and this topic can be investigated in this master thesis.

## **CHAPTER 2: METHODOLOGY.**

This chapter describe main methods of gathering data for the research. As this paper is an exploratory research, there are specific methods used to answer the main objective. The detailed information about research tools and the justification of their usage shall be provided in current chapter. The second chapter includes description of the methodology which has been applied in the research. For the research, secondary data collection and case study analysis were chosen, since it complies with the research goal and the research questions of the thesis.

The research methods conducted for this paper are based on qualitative analysis. There are two main methods which are going to be used:

- Secondary data analysis
- Case studies

The research itself shall explain the utilization of digital marketing, show main differences of that utilization between top companies on the market, success factors of tools, pros and cons of using digital marketing and etc. These findings shall point out the most effective tools and explain the reason behind this phenomenon which could be used for better implementation of digital marketing in other companies.

### **2.1 Research strategy.**

This study is based on qualitative research approach, which is chosen according to stated research goal and which allows to investigate research questions. Qualitative research study has plenty of advantages, for instance observation and measurements in natural settings, interpretation and rational approach, subjective ‘insider’ view, holistic perspective and others (Ghauri, 2005). It is important to mention that quantitative methods are not effective in this type of research because this research is dedicated to the most recent digital marketing cases and data and quantitative analysis mostly based on statistical data which looks deeper in history. Qualitative methods are more useful because digital marketing area is relatively new and complex which is better described by the available cases.

In order to apply qualitative approach, various research methods can be used, which include surveys, case study, experiments, interviews, focus groups, etc. All these methods can be useful tools for research but it is important to choose a research method, which is the best according to the research problem and research goal of the study. Some of the mentioned above methods are not applicable to this particular research. Interview, for example, proved to

be very problematic as the information that could be unveiled during the interview is either already known due to its availability at the open sources or is confidential, as it stands for internal information and is not meant for share.

After the analysis of the articles and textbooks on the researched topic it was inferred that case study analysis and secondary data analysis are the most appropriate research methods for achieving master thesis goal. Case studies are great at showing the real examples of companies using particular digital marketing strategies that proved to be effective (at the short term, as it is too early to state any long term results)

Master thesis topic is practical oriented, especially nowadays during constant changing in worldwide economy and technological landscape, Selection of the right research methods is crucial to gather answers for research questions:

- **(RQ1)** Which digital marketing tools are used by FMCG companies around the world that proved to be more effective in achieving digital marketing strategies objectives?
- **(RQ2)** What are success factors of digital marketing tools?
- **(RQ3)** What are the main differences in digital marketing utilization between major companies in FMCG market?

All in all, this is the research plan which was used in this thesis:

1. Secondary data analysis – searching for useful information considering Digital Marketing in general and in FMCG in particular from different sources (articles, books, reviews, professional literature, public materials)
2. Case Studies analysis – searching for various digital marketing cases which would represent the most recent actions of specific companies
3. Making a recommendation list and list of observations to make a conclusion

## **2.2 Secondary data analysis.**

The research method consists of how the researcher collects, analyzes, and interprets the data in the study. Secondary analysis is a systematic method with procedural and evaluative steps, yet there is a lack of literature to define a specific process. (Creswell, 2009).

Secondary data analysis was carried out to explore current trends of the market and to examine professional literature and online sources for information about digital marketing in general. The main issue is that this phenomenon is relatively new and information on this subject is limited mostly to online resources or to some exclusive publications which are hard

to gather. Another big issue with data obtaining in this particular topic is the limited access to information. The reason for that is not only the relative newness of the topic, but the type of information itself: in best case scenario, such information as the marketing budget distribution among different brands and digital tools would be very appropriate for a deeper understanding of success factors of marketing strategies, yet this information is confidential and companies would not share this data. This is why this research is based completely on secondary data analysis of online sources and professional literature considering digital marketing phenomenon.

### **2.3 Case study.**

Several case studies are going to be analyzed as one of the tools for this paper. Companies are going to be chosen according to the specifics of the topic and the problem. Companies, which are being analysed reflect the possible users of this paper in future.

Case study is one of the best research methods in this type of paper because of its initial exploratory nature of investigation the real-life phenomenon (Yin, 2009). Case study shall prove to be more suitable than survey as case will unveil more detailed information which will lead to more profound outcome. This approach uncovers more complexities for the subject than survey (Denscombe, 2007).

Case study involves several data collection methods:

- Analysis of companies' secondary data, such as companies' documents, presentations, webpage materials and other articles in offline and online publications
- Observation of companies' recent activities in digital marketing area

These data sources allow to conduct more valid research, as the information flow shall be diversified, which shall help for better understanding of companies' environment.

Advantages of case study:

- The examination of the data is conducted within the situation in which activity is taking place (Yin, 1984). It very much contrasts with other methods, such as experiment, because case study does not isolate the subject of research from its context
- Complexity of case study allows to use both qualitative and quantitative analyses of the data

- The detailed data can not only help to explore and describe the data, but it helps to explain the complexities of the situations in general.

Disadvantages of case study:

- Lack of rigor (Yin, 1984) which could be explained by bias of the author of case study
- Little basis for generalization of the results because of the small number of subjects (sometimes it is only one subject)
- A lot of unnecessary information
- A common criticism of case study method is its dependency on a single case exploration making it difficult to reach a generalizing conclusion (Tellis, 1997)

Taking into consideration the criticism of Case Study as an instrument, it was still chosen as main research method because it can unveil the actual steps that companies take in order to achieve better results considering digital marketing. In order to neglect the main disadvantage of the method (biasness, limited results of single case) it was decided to create a sample of case studies. This way, the information presented would be unbiased, contain different sources and provide a base for generalization and providing conclusions.

## **2.4 Choice of case studies.**

What is very important is to create a pattern in which case studies should be chosen for further investigation.

The first step was to choose the poll of the companies which are going to be looked into. According to Statista, there are top-50 FMCG companies worldwide in 2017, based on net sales, which are presented in the Appendixes. It is important to mention that any of these 50 companies are suitable to be researched.

The second step is to find case studies of these particular companies in three digital marketing areas, which were mentioned as the most crucial in contemporary market: Search Engine Marketing, Social Media Marketing and Content Marketing.

The third step is to choose 4 different cases which would illustrate the typical and not typical marketing strategies in FMCG market. Crucial thing is that these case studies should provide metrics of their success. However, ROI would be the best metric to utilize, it is very complicated and sometimes impossible to calculate it without appropriate data. This is why some of the cases may not provide the direct financial metrics of their success.

Best case scenario was chosen in accordance to the results of a campaign compared

with the average numbers provided by the international research agency “Millward brown”. Final results were higher than the average. Another indicator was the presence of specific results of campaign, such as brand awareness, ad recall and others. Also, as there are a few of very successful campaigns, the amount of information found was also taken into consideration, as some of the cases provide great results with little information provided

Least successful case scenario was chosen in accordance to the overall results as soon as none of the failed cases presented specific results in a sample.

Average case scenario was chosen in accordance to the results of a campaign being exact or close to the average. It is important to mention that there were several candidates for deeper analysis, though the case with the most information found and the most mediocre results was chosen.

Unique case scenario was chosen in accordance to its uncommon tool utilization and combination, which showed good results, meaning that the case is overall successful, though the reason for success is not typical.

## **Conclusion to Chapter 2.**

The second chapter consisted of the research methodology, which will be the basis for the research. The thesis is based on qualitative research approach, which is chosen according to stated research goal and allows to investigate research questions.

In order to get the best results and the most accurate information, it is important to diversify information flow. That is why it was chosen to use different research tools which will give both enough data for the analysis. For achieving research goal case studies of FMCG companies were analyzed. The pool of 50 cases was created in order to make the analysis more relevant by seeing different scenarios with usage of different marketing instruments. In order to show the difference between companies, it was decided to analyze 4 particular case studies and to compare results in order to make conclusions and fully answer research questions.

## CHAPTER 3. CASE STUDY ANALYSIS

At this chapter multiple cases shall be presented from different FMCG Companies which will show how usage of one or several particular digital marketing tools can significantly affect companies brand, sell rates and overall effectiveness in general. The key point is that there won't be any particular and specific digital marketing strategies described as a whole for two reasons:

1. Those complex strategies that are already disclosed for public do not carry that much of a value, which means, analyzing them shall not prove useful due to probable inefficiency on the market in future
2. Those complex strategies that are being used in FMCG industry cannot be disclosed as they represent the competitive advantage of the company which is not shared due to security reasons
3. Generally, strategies that companies pursue are quite similar in its goals and objectives, but quite different in tools and features used to achieve those goals, so it makes more sense to analyze how companies accomplish their strategies, rather than strategies themselves

That is why in this chapter cases of usage of particular tools will be analyzed as they proved successful, though usage of only these examples will not ensure the success of a company that would try to use them in their own firms.

In order to make this research reliable and useful, it was decided to create a pool of case studies dedicated to digital marketing. Firstly, it was important to distinguish which companies shall be looked into. To do that, Statista was used and according to it 50 companies were chosen for further investigation. (Appendix 1) The second step was to find 50 case studies of these companies in order to see which cases are more or less common in this market, which of them are more successful than others and which of them truly stand out. It is crucial that 50 case studies do not represent all of the 50 companies, as most of the cases used in the analysis are from the top of the list. However, there are some representatives from the middle of the list in order to provide the best comparison between the cases. The overall list of the cases and their brief explanation can be seen in appendices. (Appendix 2) After analyzing those case studies, it was decided to thoroughly describe 4 case studies according to these criteria:

1. One case should demonstrate one of the best results among all of the cases

2. One case should demonstrate one of the worst results among all of the cases
3. One case should demonstrate the average result
4. One case should demonstrate one of the most unique type of marketing strategy

### **3.1 General overview.**

Before going into specific analysis of 4 particular cases, it is important to look into the sample and to distinguish general information that this sample provides.

First of all, this is a sample of 50 cases representing 14 different companies operating in FMCG market worldwide: Unilever, Mars, Mondelez, Nestle, Procter&Gamble, PepsiCo, L'Oreal, Coca-Cola, Heineken, Danone, Diaego, Johnson&Johnson, Ab InBev and Colgate-Palmolive. The majority of cases represent Unilever, PepsiCo, Nestle and Mars. When we are looking into the types of digital marketing tools companies utilize, there are SEO, SMM and content marketing. The most important thing to notice is that nearly every case use not one of these features but some combination of them or even all of them. Further in the description of cases it will be seen that the most successful cases utilize all of the mentioned above cases and that the least successful or average utilize one or two of digital tools. Another important finding is that the least discussed feature is Search Engine optimization. One of the possible explanation is that this feature is one of the least complex as generally SEO stands for correct bidding on valuable key words in order to be better seen in search engine results. On the other hand, it is also quite possible that companies do not want to disclose information about their SEO as that would mean unveiling the keywords they are bidding and the bids themselves that would put the overall tactic into jeopardy.

Secondly, absolute majority of the cases represented in sample are successful, meaning that campaigns lead to increase of brand awareness, ad recalls in thus, sales. However, there are 3 major cases that showed negative results and all of those cases represent PepsiCo activities. It is crucial to mention that PepsiCo also generated one of the most successful cases, thus it does not mean that PepsiCo poorly utilizes digital marketing tools. That means that PepsiCo is one of the most diverse and risk positive companies, that is ready to take risks in order to gain more value. It is worth mentioning, that all of the 3 failed case studies represent the problems considering content marketing, rather than anything else. These cases showed that the biggest issue company can face is misunderstanding of the message

companies sent to the consumers. All of the presented cases had problems considering ethical issues: race, gender, political preferences and others.

Thirdly, considering social media marketing and content marketing, it was important to distinguish which channels are preferable and what type of content is mostly used. Speaking of channels, the biggest of them is Facebook with YouTube and Instagram coming second. Other social networks like Snapchat proved to be less efficient. The most noticeable finding was about Twitter, as studies suggest Twitter to be one of the best social media channels, though case studies showed that its usage is dropping and it is now utilized less than other social medias. Speaking of the content, vast majority represent video content, as it proved to be the most effective in sending a message and more entertaining and easy to grasp from consumers' perspective.

Overall, these case studies represent quite different approaches from different companies about various brands on different markets which makes the sample quite diverse, thus worth of further analysis.

### **3.2 Case study №1.**

To determine the best case study that represents the best overall results, it was decided to make a choice based on two criteria:

- The amount of information available to analyze
- The final results of the campaign that are better than in the rest of the cases

There is one case worth mentioning, however it is not going to be the one discussed in this research due to lack of information on the case in general. That is the case of L'Oreal, which, in short, partnered itself with a Google on the platform called "DoubleClick". Generally, L'Oreal wanted to launch their new product called "Pure Clay Mask" in an Italian market and they wanted to promote this new product across all digital devices. The main aim of L'Oreal was to raise brand awareness and to increase effectiveness of their new product sales. What they did is they consolidated all of their media capabilities into one platform, called "DoubleClick". This platform helps to control how frequently and how easily company can reach their customers. To make sure that the campaign would work effectively, marketers identified the potential consumers audience and paid all of their attention to that group of people. In order to understand the most popular topics searched by their target audience, L'Oreal used Google Trends and they matched that information with the key benefits of their own product. Using DoubleClick capabilities, target audience was divided into 5 separate

ones within the desired demographic (based on what they are looking for in the Internet, what they watch, what they like and what they want). After that, L'Oreal launched their 2 stepped campaign:

1. Delivering video content through various social media channels (YouTube, Trueview, Facebook) for more brand awareness and consideration of buying the new product
2. Delivering second video that added storytelling to it, so it became more emotional, then rational

Due to this approach, consumers got educated and very well motivated to find more information about the new clay masks and probably to purchase them all together.

The results were excellent for the L'Oreal, as the cost per view was 50% less than average in Italy, view through rate was 39%, while the average was 25%. It had 37% in ad recall and 13% of brand awareness which is among the best in the world and not just in Italy. Generally, this case is about a correct partnership with data specialists who can provide important insights on potential customers' company is looking into. Another huge success factor of the campaign is using all of the most important digital marketing features: Social Media Marketing, Content Marketing and Search Engine Marketing. Lastly, it was about taking a few steps to promote their product, rather than to do it one time (different set of videos with different objectives, rather than trying to put everything in one).

However, L'Oreal was very successful with their partnership with DoubleClick, it is not the main case that is vital to look into. The case which happened to be the best among the given list of cases is the case of Colgate-Palmolive with their Colgate campaign.

Before digging into the case it is important to mention the point that the best case of digital marketing was found in a company which is situated in the middle of the list of Top 50 FMCG companies, while other cases represent the Top 10 companies in FMCG. Also, this case represents an experiment of Colgate-Palmolive, meaning that everything they have done was their first attempt to create a systematic digital marketing strategy.

The main challenge for Colgate was to increase awareness of their new toothpaste and to drive purchase consideration among its target audience. Colgate-Palmolive is a huge international company having a huge experience in launching multichannel campaigns, however this case was different as they decided to take more time to research the best possible ways to reach their audience. The most important thing that Colgate made right is to implement a systematic approach towards reaching their goal: Colgate decided to use every channel they could, meaning not only digital (YouTube, TrueView, Facebook), but also

offline channels (TV, in-store and printed ads). However, YouTube was the center of their attention, as they partnered with several YouTube stars and used their images not only online, but at printed ads as well.

Colgate found three different teams: media, creative and Google, to work with their partner – Red Fuse agency. Key success factor here was that all these teams worked together rather than doing everything separately and sending the results to each other. Their first step was to analyze their audience: where they spend their time, how to engage them, what insights might prove to be useful. According to their analysis, they saw that placing TV at the center of their campaign is pointless, as the majority spend their time online and, more specifically, on YouTube. Moreover, what Colgate saw is that YouTube is very popular as a platform where people are looking for beauty video tutorials, videos about fashion trends and where people are interacting a lot between each other and with the YouTube content creators. In order to make YouTube presence worthy, Colgate decided to partner up with two popular youtubers: Andrea Brooks and Blair Fowler. What is noticeable is that Colgate took a risk and left most of the content creation to the youtubers, which was not regular, as companies try to be in direct control of the content released with their brand name on it. However, this approach proved to be very effective, as youtubers were more in touch with their audience than a huge FMCG company, which meant that content created would resonate among people with higher success probability. All in all, Andrea and Blair created a series of videos called “The Smile Show” which had approximately 25 million views. The crucial point here is the vloggers really loving their work with Colgate and with the product itself, as they were not just mere spokeswomen, but they were triers and commentators sharing their opinion on what this new toothpaste can do to one’s smile.

Another vital point is that the message and the content was adjustable depending on the reaction of the audience, which was new to the company as they were used to start a campaign and just to leave it be. The graphically represented plan of how Colgate undertook this campaign can be seen in the appendices. (Appendix 3).

The final result exceeded Colgate’s expectations. “The Smile Show” generated 82 years of total watch time, which is approximately 25 million views. Moreover, here are some metrics that proved the success:

- 13% lift in brand awareness
- 11% lift in purchase consideration
- 1116% in brand interest which is 8 times higher than the average among FMCG companies in US market

To sum up, cases of L’Oreal and Colgate-Palmolive are very close and both of them are one of the most successful digital marketing campaigns and it is quite important to grasp the reasons for their success.

Firstly, it is complex approach towards the problem. Both companies decided to use not just one channel or tactic, but to integrate different channels into one another with one or two channels staying the most important.

Secondly, it is a huge amount of time and resources spent into studying target audience, their preferences, their activities, their interests. As long as company can get accurate information about their consumers, they can adjust their strategy accordingly to provide the best experience for consumers which would raise brand loyalty and purchases consideration.

Thirdly, it is an ability to change and adapt during the campaign. This also means real-time data gathering and its usage to provide the content needed at the specific time

Lastly, it is an ability to think outside of the box and the best way to do that is to collaborate with marketing agencies and with leaders of opinion on social media (popular YouTubers and vloggers).

All in all, this case shows how a company can achieve an extreme success with centering their efforts in one social media channel, while using others as well, rather than forgetting them all-together and focusing only on one tactic.

### **3.3 Case study №2.**

It is very difficult to find case study about a failed campaign because most of the companies would rather share a story of their success. Despite that fact, there were several cases found which could be called “A Failure”. The most peculiar thing is that the most troublesome cases were found in PepsiCo company:

- Case of their brand “Walkers”, where PepsiCo started a campaign which was started according to a Champions League finale 2017 where people could submit their own photos to a special webpage, where this photo would be applied to a video, where company’s representative will look at your photo and say “nice selfie”. The problem started when people started to upload not their own selfies, but the photos of mass murderers, criminals and genuinely bad people. This got a huge negative backlash in twitter so that PepsiCo aborted this campaign at the same day it started. The biggest issue here was unmoderated process of creating these videos.

- Case of “Doritos”, where PepsiCo decided to start a new product, which they described as “lady’s chips’ and this topic was highly discussed in social media where women accused PepsiCo of being sexist and incompetent. Due to this, PepsiCo currently put their project on hold.

However, the case that is truly worth digging into is the case of relatively recent viral video that PepsiCo used. It was called “Kendall Jenner Protest Ad”. The gist of this ad is that there is a riot of people with signs “Join the conversation” and others. Those people march down the street while strangers join in the protest. Then, at some point, Kendall Jenner, star of Kardashian show, joined in the riot with a can of Pepsi and offered it to a police officer who was staying in a convoy. The biggest issue with this video was accusations of insensitivity and misunderstanding of what people in those riots stand for in a real life. Daughter of Martin Luther King, who was an infamous politician who suffered police brutality during political riots, posted a black-and-white photo of her father being beat down by a policeman and commented: “If only Daddy would have known about the power of Pepsi”. The whole commercial looked like a twisted joke to people as they started twitting photos of terrible beat downs during riots all across the globe from different times with the comments close to: “They should have just given them Pepsi”.

It is difficult to assess the failure of this commercial, while from managerial point of view there could be seen some particular outcomes:

- Pepsi tried to use their Social Media channel (YouTube) to increase positive brand awareness and to show that company values its customers, their beliefs and their rights
- The key problem was not the channel, but the content which was put through that channel and one of the possible explanation is that this commercial was completely made inside the company (without any help of marketing agencies). This commercial lacked authenticity – it looked very weird that the whole riot looked happy, which can not be true and that the model, like Kendall Jenner, stops her photo shoot to join the movement and to offer an officer a can of soda looked completely unnatural and overall was perceived as a mocking towards people who are willing to fight for their rights and beliefs
- Main conclusion that can be made from this case is not to tackle very controversial topics, such as race, equality and beliefs. Company can go into

that sphere if two conditions met: either company tries to state a point that is supported and approved by a focus group in order to prevent misunderstanding and backlash from public, or its intent to promote controversy in order to gain brand awareness (use the concept of “there is no bad publicity”)

All in all, this case study was a huge deal in 2017, as major mass media, such as CNN and Forbes talked about it. After all of the controversies, Pepsi publicly apologized for their campaign and shut it down a few days after it started. There is no particular information on financial loss of the company due to the strategy they used, but it is clear that this attempt was a complete failure from nearly every point of view.

### **3.4 Case study №3.**

In order to figure out the average case study, it was important to overlook all of the cases: what was done and what results were achieved. According to the table, it was seen that the absolute majority of cases represent creating content on Facebook and promoting it there. That is why the average case described here is about creating Facebook content.

When speaking about the content itself, video content is among the most used one and that is the reason why creating video content on Facebook was chosen as the average one. In a matter of results of such campaigns, there is a specific metric, suggested by Millward Brown, leading global research agency specializing in advertising effectiveness, strategic communication, media and brand equity research. They suggest that these numbers represent the average gain of social media campaigns:

- Brand awareness – 2% raise
- Ad awareness – 4% raise
- Brand favorability – 1%
- Purchase intent – 1%

According to all mentioned above, there is one case that represents the average results achieved by digital marketing campaign: Johnson&Johnson’s brand “Listerine” campaign undertaken in Saudi Arabia and UAE. This gist of the case is that the Listerine brand decided to raise brand awareness and also to provide people with valuable information about the benefits of mouthwash and their new formula adjusted to Ramadan period. In order to succeed in this, Listerine created a series of educational videos on Facebook, which showed the benefits of mouthwash usage and relevancy to Ramadan period. The ads were short, front-

loaded on webpage and could easily work with or without the sound. Marketers conducted a research where they found out that the main issue of their target audience is self confidence at workplace and thus the videos stressed out the point that usage of mouthwash can boost self-confidence (better looking teeth). What is also worth mentioning is that the campaign was truly adapted to the region and to the celebration as most of the posts were posted in a specific time each day. For example, at early morning (Suhoor), while Muslims eat before their day, so that the reach of their ad would be at its maximum capacity.

The results showed quite average numbers:

- 3% lift in ad recall
- 5% lift in ad awareness
- 1% lift in brand favorability

Overall, this case study shows the very average result and very average tactics used to achieve the results that company needed. It is crucial to state that the campaign is successful non the less and it means that usage of the same pattern in different brands, companies, geographical markets are justified if the campaign takes into consideration the specifics of the customers they are trying to reach, the time at which the message is delivered in order to gain maximum visibility and that campaign is delivering value to their customers: in this particular instance – it is educational and useful content from rational point of view, however it could have been more entertaining and emotional.

### **3.5 Case study №4.**

While studying all of the cases, most of them followed pretty close pattern. However, there were several cases, that stood out of the majority and the main reason for that is their integration of digital marketing into real life activities. There are a couple of cases worth mentioning:

- Case of “Snickers”, where Mars made an experiment in Australian market. What they did is that they collaborated with “7/11 supermarkets” and with Melbourne Institute of Technology. Institute provided Mars with a unique algorithm, which they called accordingly to brand “Hungerithm” – this algorithm calculated the so-called “rage” level (3000 words in data base and analysis of approximately 14 000 posts daily) on twitter and it adjusted the prices of snickers in 7/11 accordingly (the bigger rage level is, the lower the

price of snickers). It was possible that a price for one snickers could drop 80% and it could change more than 100 times a day. This experiment was a huge success, as there was an incredible 1740% raise increase social traffic for the brand and the overall sales increased by 67% during the time of the campaign

- Case of Coca-Cola, where Coca-Cola partnered with Google to implement a new technology: this experiment was conducted in 250 stores in “Albertsons grocery” chain in the US and they put a specific terminal which would analyze the passerby’s smartphones (cookies, preferences and habits) and according to them, this terminal would offer a personalized e-coupon to shoppers. This system helped them analyze the consumer based on their behavior online and their behavior in store itself (the speed of movement across the lanes helped to identify if someone is in a hurry and thus have little time to look through different stuff, or if someone is moving calmly, who is in a set up to buy a lot of things). There are no specific results of this campaign, beside the fact that company states that this experiment paid off in a month and that this experiment is a start point for further development of AI and machinery learning)

The case that truly stood out of the list is the case of PepsiCo and their brand “Cheetos”. The most unique thing about this case is the level of integration of online and offline activities from both the company and consumers. Cheetos managers were overlooking every social activity in social media networks and they noticed that Instagram users post their photos with pieces of Cheetos that looked like other things (like animals, buildings, transport and much more) and that there is even a dedicated Instagram page that collected those photos. Managers decided to take advantage of that sudden interest in weird looking chips and to start a campaign, main goal of which was to raise the consumer engagement and overall brand awareness. The campaign was called “Cheetos Museum”. What they did is they created a digital platform (special webpage) where people could upload their photos of weird looking chips, view other photos and vote for them if they liked. In order to promote this campaign, the most, Cheetos didn’t use only social media channels, but also search engine optimization and conservative mass media – TV and Radio broadcasts. Every week, there were ten winners, who got 10 000\$ and their photos were saved in the so-called “Cheetos Museum” forever. After that, it was decided to find the very best photo out of the winners and let people decide who will win additional 50 000\$ as the grand prize.

In order to boost sales and interest of people in this contest, Cheetos decided to add another feature to this campaign – there were particular 10 pieces of Cheetos in different packs, each one would look like a representation of a particular city – whoever found one of these pieces won the family trip to the city represented by the chip (the travel was worth approximately 10 000\$). This campaign ran for 3 months and here are the results of the campaign:

- More than 100 000 photo submissions
- Video content produced by the company gained approximately 23 million views
- In a middle of campaign, corporate website received nearly 1.5 million views, which was 5 times of the average amount of views
- Cheetos sales were unprecedented, though the actual amount is not known

Another result worth mentioning is that success was so large and the interest was still as high as at the beginning of the project, that the company decided to build an actual museum (exposition) of those pieces of Cheetos that won on weekly basis. The exhibition was held in New-York and had a huge success. After the project finished, it was seen that some of those chips were sold on eBay for thousands of dollars which was unprecedented at time.

The overall success of the campaign relies on several factors. Firstly, it was an incredible mixture of online and offline actions that helped to involve large amount of people. Secondly, the whole campaign was based majorly on user-generated content which truly endorsed the personalization in digital marketing, thus creating more engagement from consumers. Thirdly, this campaign was mostly fun to participate in, with great prizes and a very small fee for entry: one should have simply by Cheetos on consistent basis which would raise their chance for the winning. Lastly, this project relies more on emotional in people rather than on rational, which means that the success of content that company created was based on creativity rather than informability.

Generally, this case does not show any outstanding results, but it utilizes the creativity not only of Cheetos stuff, but of the consumers as well. Moreover, this contest was very fun to take participation into and it was very much discussed in every media channel which lead to the eventual success.

### 3.6 Key findings and success factors.

All of the case studies discussed above provide a good benchmark on how objectives of digital marketing strategies are achieved and in which ways they are being achieved. There were examples of the best working, average, least successful and the most unique digital marketing tactics among the pool of cases analyzed and after looking into the cases, there are some conclusions that can be made.

Below, there is a comparison of all of 4 cases presented in this paper.

	Case 1	Case 2	Case 3	Case 4
Company	Colgate-Palmolive	PepsiCo	Johnson&Johnson	PepsiCo
Brand	Colgate	Pepsi	Listerine	Cheetos
Tools used	SEO, SMM, Content.  Combination of online and offline strategy with YouTube as a center of the campaign	Content (Key problem).  Video content on YouTube and Facebook	Content, SMM  Several informational and emotional posts on Facebook	SEO, SMM, Content, Offline.  Online campaign, utilizing Instagram led to usage of other social media channels and offline campaign afterwards
Results	13% lift in brand awareness 11% lift in purchase consideration 1116% in brand interest which is 8 times higher than the average among FMCG companies in US market	Huge backlash on every media No financial indicators Instant abortion of the campaign	3% lift in ad recall 5% lift in ad awareness 1% lift in brand favourability	More than 100 000 photo submissions. 24 million views on YouTube Corporate website received ~ 1.5 million views, (5x more than average) Unprecedented sales, though the actual amount is not known

Reasons	Offline and online strategies synergy. Attention to leaders of opinion. Complex approach.	Lack of communication with target audience. Absense of «out of the box» thinking	Appropriate timing. Oversimplified campaign	User creativity based campaign. Campaign went from online to offline.
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*Table 1. Comparison of 4 case studies*

Firstly, it was seen that the best digital marketing tactics are using not just one tool, but a mixture of them. The most effective mixture was combining social media marketing, content marketing and search engine marketing. It is also worth mentioning that mobile marketing was used in a lot of cases as well, however it was mostly due to the usage of social media like Facebook, YouTube and Instagram on smartphones, however these channels are more related to SMM, rather than mobile.

Secondly, absolute majority of cases shown that the most used and one of the most effective channel is Facebook and its usage is still going to grow, as long as Facebook remains the biggest platform for social interaction in the Internet. However, it is vital to keep in mind the peculiarities of different geographical markets and to utilize local popular social networks (VK in CIS region, WeChat in China). YouTube and Instagram comes right after the Facebook in a matter of utilization and Twitter has slight decrease of popularity, but still remaining very solid tool for digital marketing.

Thirdly, one of the most surprising insights from the case analysis was that PepsiCo in particular is quite controversial company in a matter of utilization digital marketing – this company represents the least successful and some of the most successful cases from the whole sample. This could be explained by the management style of the company which does not hesitate to take the risk and try to do something unique, while the result may be a complete failure or a huge success.

Forthly, the biggest issue and the most important thing that company should do before starting the campaign is to study their target audience for some period of time to ensure that the message company is trying to send would not just be heard, but understood correctly, which PepsiCo did poorly in some instances resulted in a huge backlash.

Another finding is that emotional content proved to be more successful than informational, as it is more captivating and entertaining for the consumers (most of the time people, who are browsing facebook, youtube and Instagram, do that for entertainment or to communicate with other people). That does not mean that informational and rational content are unsuccessful, though people looking for useful data are utilizing search engines the most that eventually would lead to blogs or special websites that provide that information.

Speaking of the content itself, it was noticed that video content prevails among any other type of content. It is easier for understanding, more entertaining and engage consumers the best. It also combines with the previous insight, meaning that emotional video content that provides information while entertaining the viewer is one of the most effective types of content.

Overall, after the research conducted, there are success factors of digital marketing tools to achieve strategic goals

1. Provide with the right content: It is crucial to establish an online presence that creates and communicates the right message at the right time. In order to be successful, content should bring value to the customer, weather it is more entertaining or educating or even both Therefore, there is no alternative to publishing high quality content that creates value for the customers.
2. Personalized approach towards the customer. From the professional literature and from the practitioners and case studies, it is very distinguishable that customers approve companies of trying to communicate with them directly and take their opinions into account. Also, it helps to save a lot of time for customers as well, due to them getting the precise and so much needed information, rather than a massive spam of very different and not really useful advertisements
3. Measuring with the right metrics: The impact of spending on digital marketing is hard to measure, though it is crucial for success. The best way to achieve good results is to provide the correct metric for the correct objective. For instance, if the main aim is to raise brand/product awareness, the best metrics should be ad recall, added brand awareness, ad awareness and others. If the companies main goal is to raise sales, the best metric would be purchase intent rate and return on investment. All in all, correct metric depends on the goal set for the campaign
4. Analytics and Data-based insights: Data needs to be drawn from a much wider range starting from demographic studies, social media discussions, blogs, online reviews, analysts' reports etc. The enormous amount of data generated through social and

digital campaigns need to be converted into useful information in order to efficiently measure and understand the metrics and also to formulate the right strategy. For example, the timing of a post greatly influences the level of engagement for the same. All the engagement data can be analyzed from dashboards for the major digital channels that the company is investing in to monitor outcomes, identify changes and devise a right content strategy to improve the performance of a digital marketing campaign, in terms of what market segments to target, what to offer and how best to serve. Data captured and interpreted precisely can become a source of huge competitive advantage for the companies. This is of sublime consequence in this day and age when sophisticated data targeting solutions are available to gain deep, actionable insights into customers and hence, make smarter marketing decisions

5. Combination of different digital tools. While it was seen that different marketing tools can be effective on their own, it is crucial to combine marketing tools to create complex tactics. Also, combination and integration of online and offline marketing proved to be the best in order to achieve company's goals.

### **Research finding and Discussions**

The primary purpose of this study was to fill the gap in digital marketing in FMCG market – in particular, to analyze different digital marketing tools and to figure out which of them help to achieve company's goals the best.

To achieve the stated goal, the study was supposed to answer 3 research questions:

- **(RQ1)** Which digital marketing tools are used by FMCG companies around the world that proved to be more effective in achieving digital marketing strategies objectives?
- **(RQ2)** What are success factors of digital marketing tools?
- **(RQ3)** What are the main differences in digital marketing utilization between major companies in FMCG market?

For this purpose, the primary literature analysis was done to discover research gap in the area of digital marketing in FMCG. From the literature review it was determined that there are plenty of studies referring to digital marketing in general and particular digital tools, but there are very few studies concerning digital marketing in FMCG industry and even less dedicated to comparison of digital marketing tools.

Empirical research of the thesis consisted of case studies analysis and secondary data analysis. That allowed to achieve the research goal, i.e. analyze how FMCG companies utilize digital marketing tools in contemporary market.

Due to analysis of cases and secondary data, it was identified that out of all digital marketing tools available, Social Media Marketing, Search Engine Marketing and Content Marketing are the most effective and useful tools in contemporary market and they shall be effective in a nearest future. Speaking of success factors, it was identified that there are several moments that has to be taken into consideration: usage of a several integrated tools is important as cases that showed usage of a single tool were still successful though bear very average results. Secondly, it is about direct communication with the target audience via partnership with data gathering companies (such as Google). Thirdly, it is important to provide valuable content that lacks controversies. Another finding of this thesis is that major companies operate quite similarly in a matter of social media marketing, however the content provided is very different in its scale, message, timing and other characteristics.

Thus, it can be concluded that all of the research questions of the thesis were answered, i.e. most effective digital marketing tools identified with the success factors and the comparison of the main companies was provided. As a result, the research goal was achieved.

### **Theoretical contribution and practical implications**

This master thesis can contribute to theoretical perspective in several ways. From the theoretical perspective this thesis contributes to the different spheres: digital marketing in general, digital tools, FMCG industry. Huge contribution is in the sphere of digital tools utilization in FMCG, which according to the literature review is still under investigation.

As it was analyzed in first part of Chapter 1, most of researches are dedicated towards general digital marketing and specific digital tools with no connection to a particular industry. This Master Thesis investigates the utilization of digital marketing in FMCG market. Moreover, the study offers insights regarding different tools used and combination of them. Thus, the study is valuable to the theoretical development.

As for practical implications it can be inferred that the master thesis is rather impactful. Digital marketing insights could be useful for the great number of companies operating in FMCG market. In addition, this research would be useful for marketers to see a benchmark of top companies in the industry. Another practical implication of the research is that this research shall overall help companies to move into safer direction, considering digital

marketing. Since secondary data analysis and case studies analysis were conducted based on international companies, results are applicable for any major company of the industry without actual connection to a geographical market.

### **Limitations and prospects for future research**

The biggest limitation of this thesis is a lack of primary information. As it was discussed before, the reason here lies in the type of information that could drive this research much further. That information is confidential and classified to the outsiders, as it holds a lot of value and it is a source of competitive advantage.

Another thing is that different companies and different cases could have been used in order to create the sample and to analyze. However, this limitation is directly connected with a previous one, as all of the cases were found in public access and it would be more interesting to analyze case studies with gained primary data but that is impossible at the moment.

Third limitation is that the results of this research might prove to be short-term useful. The reason here lies in an unprecedented speed of technologies development and, thus, digital marketing tools. It is quite possible that in a near 3-5 years technology will evolve that much, that completely unthinkable instruments may appear. However, until there is a very drastic change in market, results of this research should still be applicable.

## **Conclusion**

In the first chapter, it was firstly described what digital marketing is and different approaches to the terminology. Also, the trend analysis was conducted, where professional publications, consultants and marketers publications were analyzed that lead to a gap in digital marketing in FMCG market with a stress on lack of comparison of different marketing tools in FMCG. Moreover, it was found out that there are three particular digital marketing tools that are the most important for the companies: social media marketing, content marketing and search engine optimization.

In the second chapter, the methodology was described, which is using secondary data analysis and case study analysis. All of the information is secondary due to the confidentiality of any primary data. The pool of 50 case studies was created in order to gain the most reliable data, while looking for patterns among those case studies.

In third chapter, the case study analysis was conducted and four particular cases were particularly analyzed (case with the best, worst, average results and a unique case in a sample). The result of this analysis is figuring out the success factors of digital marketing in FMCG and comparing them and companies that are using them.

Thus, the research gap was partially filled, as this thesis provided the comparison of digital marketing tools in FMCG market and the results of this thesis bear value in both theoretical and practical areas. However, this thesis is more practical oriented as it described the current situation on the market and overlooks possible development in this are of studies in a nearest future. The results can be used by marketers and managers in FMCG industry in order to understand the patterns in current digital marketing and to align their efforts in that field responsibly and effectively.

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## Appendix

### Appendices 1. Top 50 FMCG companies

Name of the company	2016	2015	2014	2013
<b>Nestlé SA</b>	91 031	92 342	100 746	99 222
<b>Philip Morris International Inc</b>	74 953	73 908	80 106	80 029
<b>Johnson &amp; Johnson</b>	71 890	70 074	74 331	71 312
<b>The Procter &amp; Gamble Co</b>	65 299	70 749	80 510	80 116
<b>PepsiCo Inc</b>	62 799	63 056	66 683	66 415
<b>Archer-Daniels-Midland Co</b>	62 346	67 702	81 201	89 804
<b>Unilever plc</b>	58 488	59 573	64 761	65 919
<b>Tingyi (Cayman Islands) Holding Corp</b>	58 145	9 103	10 238	10 941
<b>Anheuser-Busch Inbev SA NV</b>	45 517	43 604	47 063	45 195
<b>Bunge Ltd</b>	42 679	43 455	57 161	61 347
<b>The Coca-Cola Co</b>	41 863	44 294	45 998	46 854
<b>Imperial Brands plc</b>		39 221	44 032	44 161
<b>Tyson Foods Inc</b>	36 881	41 373	37 580	34 374
<b>Mars Inc</b>		33 000		33 000
<b>L'Oreal SA</b>	28 668	28 244	30 126	29 287
<b>The Kraft Heinz Co</b>	26 487	27 400	18 205	18 218
<b>Mondelez International Inc</b>	25 923	29 636	34 244	35 299
<b>Altria Group Inc</b>	25 744	25 434	24 522	24 466
<b>Group Danone</b>	24 348	25 063	28 271	28 193
<b>Heineken N.V.</b>	23 070	22 937	25 748	25 420
<b>WH Group Ltd</b>		21 209	22 243	11 253
<b>Henkel AG &amp; Co KGaA</b>	20 764	20 229	21 965	21 650

<b>British American Tobacco plc</b>	20 167	20 089	23 084	23 841
<b>Associated British Foods plc</b>	19 345	19 960	21 283	20 822
<b>Japan Tobacco Inc</b>		19 280	23 691	23 615
<b>Kimberly-Clark Corp</b>	18 202	18 591	19 724	21 152
<b>Kirin Holdings Co Ltd</b>		18 172	20 954	22 803
<b>Groupe Lactalis</b>	17 300	17 000		
<b>General Mills Inc</b>	16 563	17 630	17 910	17 774
<b>Asahi Group Holdings Ltd</b>	15 650	15 364	17 039	18 542
<b>DiAGEo plc</b>	15 646	17 104	16 569	17 728
<b>Colgate-Palmolive Co</b>	15 195	16 034	17 277	17 420
<b>San Miguel Corp</b>	14 498	14 904	17 669	17 752
<b>Svenska Cellulosa SCA</b>	13 787	13 768	15 340	14 254
<b>Grupo Bimbo SA.B. de C.V.</b>	13 655	13 968	14 183	13 811
<b>Reckitt Benckiser Group plc</b>	13 522	13 604	14 599	14 477
<b>Dairy Farmers of America</b>	13 500	13 800	17 900	10 357
<b>Newell Brands</b>	13 264	5 920	5 730	5 610
<b>Uni-President Enterprises Corp</b>		13 185	14 247	14 462
<b>Kellogg Co</b>	13 014	13 525	14 580	14 792
<b>Suntory Holdings Ltd</b>	12 935	11 423	11 998	11 645
<b>Reynolds American Inc</b>	12 277	10 416	8 160	7 899
<b>Koninklijke FrieslandCampina N.V</b>	12 206	12 597	15 173	14 933
<b>Kao Corp</b>		12 174	13 377	13 658
<b>Bright Food (Group) Co Ltd</b>		12 150		
<b>Fonterra Co-Operative Group Ltd</b>	11 498	14 542	18 519	15 309
<b>The Ferrero Group</b>	11 440	11 178	11 448	
<b>Estée Lauder Companies Inc</b>	11 262	10 780	10 969	10 182
<b>maxingvest AG</b>	11 164	11 239	12 920	12 723
<b>Arla Foods A.m.b.a</b>	10 615	11 476	14 191	13 065

Appendices 2. List of 50 chosen case studies

Company/Brand	Type of tool	Brief explanation	Brief results
Unilever/persil and unnamed	SMM, Content, Facebook	Created a specific ads on popular sites and facebook	ROI = 47%, 21,5 million impressions in 2 weeks 33 000 samples delivered
Unilever/Dove	SMM, Content, Facebook	Specific app, that changes ads visible, outbidding of negative keywords	171 million banners displased 5.5 million women reached 253 million impressions 82% of ads were user generated content
Mars/Snickers	SEO, Content	Bidding on very cheap keywords (misspeled) to target specific audience	500 000 reached in 3 days. Extremely cheap and low competition (bid deliberately on misspeled words)
Mondelez/Nilla Wafers	SMM, Content, Facebook	Creating content for their target audience (mostly women)	9% boost in sales 190 million impressions 11 times higher average score of Facebook usage then their competitors in the US
Nestle	General case on digital marketing	Creating a Digital Acceleration Team to implement digital marketing in company. Stress out on Internal and external SM	210 million of followers on Facebook 1300 content pieces daily 200 000 in internal network
Nestle/Nestea	SMM, Instagram	Automated placement to reach different people. Promotion of a rebranding	12 million people reached in 2 months. 5% increase in sales intent
P&G	SMM	Partership with a Sticky to implement Eye-tracking technology	25% increased ROI overall in digital marketing
P&G/Gillette	SEO	Special keywords (the most asked questions) were bought to address to a video on YouTube	6 million views. Raise of brand awareness in the youngest audience No direct success metrics

P&G/Olay	Content, Mobile, AI	Creation of an app that analysis the skin of a consumer	Attracts 5-7 thousand daily. Reached 1.2 million
PepsiCo/Cheetos	Content, SMM	Creation of a contest for the rarest piece of cheetos with a money reward	Over 150 000 submissions Videos with more then 24 million views. During the campaign, websites views were 525% higher then normal. Highest sales during the campaign
PepsiCo/Pepsi	SMM, Twitter	TV commercial during superbowl encouraged people to use special hashtags on twitter	Raise of engagement across all of marketing channels
PepsiCo/Pepsi	SMM	Pepsi put displays instead of mirrors in one of the movie theaters to change appearences of visitors.	Gained a lot of attention (2 mil views during the halloween week)
PepsiCo/ Doritos	SMM, Content	Create series of absurd images in social media networks that rely on their silliness	2 million people reached in South Africa and 9.6 million impressions
PepsiCo	Digital Marketing in general	Refresh project that invests in community building.	Enourmous engagement raise
Nestle/Nescafe	SMM, Content	Creating a campaign to involve new ambassadors to increase the service capabilities in Japan	Over 50 000 applications for the position
Nestle/ Nescafe machines	SMM	Creating digital ads in scoial networks to promote launch of new product	14 million impressions 24 000 clicks
L'Oreal	SMM, Content	Creating videos and using DoubleClick by Google to measure its success	39% increase in view-through rate 37% lift in ad recall 13% lift in brand awareness 10% reduction in

			bounce rate
Nestle/ Nescafe dolce gusto	SEO, SMM	Overlooking the interest in coffee machines and specific people to show their ads only to those who are interested	<ul style="list-style-type: none"> <li>• 91% of ads shown to new visitors</li> <li>• 21 percentage points more viewable vs. IAB standards</li> <li>• Brand safety improved 7x</li> </ul>
PepsiCo/Walkers	Twitter, Content	Creating a contest where people should do their selfies and submit it to create a video	Unmoderated and uncontrolled campaign resulted in a huge backlash from people (videos were made with photos of murderers and bad people)
PepsiCo/Pepsi	Youtube, Content	Creating a video which promoted an idea that pepsi can solve racial and social problems	Considered to be the most troublesome campaign of 2017. As Pepsi tried to do the right thing for the very wrong reasons
Pepsico/Doritos	Content	Start of the campaign for «lady-friendly» chips	Huge backlash and sexism accusations
L'Oreal/	Snapchat, SMM	Create a product awareness campaign with using of hashtags	51% sales boost
Coca-Cola	Mobile, SMM	Mix of Online/offline strategy - putting a special stands that analyze smartphone info	This effort paid off in a month.
Unilever/ Suave	SMM	Creating a pseudo new brand (when it was the old and cheap one) and promote it via public opinions	Unilver proved a point that a non-expensive product can be good in a matter of quality
Heineken	SMM, Youtube	Creating a viral video on youtube in comparison to Pepsi's failure	13 million views huge positive reaction in social media
Danone/Activia	SMM, Instagram	Posting Instagram stories daily for 6 weeks	3 million people reached 4-6% raise in purchase

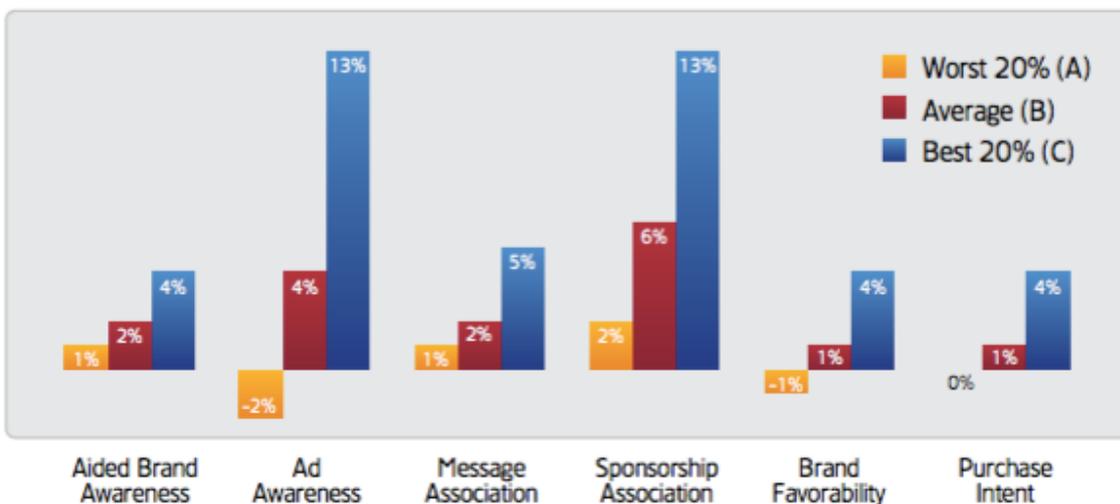
			intent
Unilever/Lynx	SEO, SMM, youtube	Partnership with google, analysis of main questions young males ask, create series of videos with opinion leaders	1 billion impressions in 2 weeks huge raise of brand awareness
Nestle/Maggi	SMM, Snapchat	Create series of videos on snapchat about french cuisine	5 million impressions 2 million people reached
Unilever/Rama	SMM, Facebook	Facebook animated ads to raise awareness of new recipe	20 point in ad recall
Johnson&Johnson/Listerine	SMM, Facebook	Series of educational videos	3% ad recall 5% brand awareness
Diaego	Mobile, Facebook	Create a chatbot for Facebook with cocktails recipe	10 million people reached in 2 months 3.2 million people interacted
Mondelez	SMM,SEO	Partnership with DoubleClick: campaigns both mobile and desktop	47% cost reduction per reach 54% increase of unique reach
Unilever/Omo	SMM, Youtube	Partnership with google, creation of series of videos encouraging parents to give more freedom to their kids	16.4 million people reached
Ab InBev/ Budweiser	SMM, Content	Using basketballers story to capture attention of large group of people	217 million impressions search increased by 227% 97% positive mentions
Johnson&Jonhson/ Neutroagena	Content, SEO	Optimization of «basket» to provide good recommendations for already selected products	18 million households reached 83 million impressions 5.84 pounds ROI
Jonhson&Johnson/ Clean and Clear	SMM, Snapchat	Branded filters in snapchat	9% brand awareness 40 million views
Mondelez/Milka	SMM, Content	Video campaing to promote «mommy day»	7-point increase in ad recall 5-point increase in campaign awareness

			6-point increase in intent to buy
P&G/ SKII	SMM,Content	Comparison of using «stories» to classic instagram/facebook campaign	13 point ad recall advantage of stories 24 point ad recall overall
Johnson&Johnson/ Le petit Marseillais	SEO, SMM	Partnership with DoubleClick which helped to change bidding in SE	19% increase in reach among target 21% improvement in cost per unique user
Mars/Whiskas	SMM, Content	Series of educational YouTube videos	9m total views and a 47% increase in ad recall
Mars/Snickers	SMM, Twitter	Experiment where cost for snickers adjust to rage level on twitter	1740% increase in social traffic for a brand 67% raise of sales Cyber Lion award at Cannes Festival in 2017
Mars/Snickers	SMM, Content	Creating a YouTube commercial and compare it to a TV	Youtube video provide 2x ROI of TV 20 million people reached
P&G/Aussie Hair	SMM, Content	Turned static consumer-generated photos and brand images into dynamic, animated content for use across marketing channels and e-commerce experiences	33% raise of engagement in social media
L'Oreal	Mobile	Create an app that uses AR to see the way that make-up is going to look like	260 million trials 1.2 million downloads
Nestle/Maggi	SMM, Content, Facebook	Emotional video campaign on Facebook	10 point in ad recall 3.5 million people reached 6 point in brand awareness
Unilever/Axe	SMM, Content, Facebook, Instagram	Campaign of individuality ran for 6 weeks	7.4% increase in ad awareness 5.7% increase in

			message association 73% lower cost per reach vs other online channels
Nestle/KitKat	Instagram	Campaign of «different people take»	42 point lift ad recall
Colgate-Palmolive/ Colgate	Youtube, SMM, Content	Branded youtube video series	24M views of the YouTube video series 13% lift in brand awareness 1116% lift in brand interest 10.8% lift in purchase consideration (15.3% lift on smartphones)
Coca-Cola	Youtube	Collaboration with popular youtubers to create CokeTV	No specific results
Mars/Snickers	Youtube	Collaboration with popular youtubers to create specifically bad videos	Cannes Lion festival award

Appendices 3. Milward Brown success metrics (based on ~8000 digital campaigns)

**MARKETNORMS' BEST/WORST TOOL EXAMPLE**



Appendices 4. Colgate's plan of using YouTube to promote their product

