

SOAP OPERAS OR SOCIAL MEDIA : WHICH WAY THE INDIAN MULTINATIONALS SWING

Dr. R. Venkatesh*

Abstract :

Multinationals in India spend crores of rupees every year for promoting their products through sponsoring T.V. serials (also known as “soap operas”). This strategy worked very well for a long time as masses were glued to their television sets to watch several serials in a day, sometimes continuously for hours. While the practice continues till date, the multinationals are finding out ways of reaching large number of audience for promoting their products. One such strategy is through the social sites like Facebook, twitter etc. This article studies the usage of such strategies by the multinational companies in India especially in the FMCG sector and the success rate of such attempts.

While attempting to find out facts on viewership in both forms of communications, the author examines the possibilities of different sections of society following different trends of communication in reaching out effectively to promotions of different products.

Key Words: *Soap Opera, Social Media, Advertising, Consumption, Middle Class*

* Alliance school of Business, Alliance university

Introduction:

Promotion is certainly an essential element in marketing mix and used by both large and small businesses, to inform, persuade and remind customers about the goods and services that they offer. One can reach out to customers through various forms of media and different strategies to invite their attention to the products and services offered.

Across industry verticals FMCG companies including Food and beverages, household and personal care products accounted for about 40 % of television advertisement volume. The companies are producers of beverages, soaps & detergents, toothpastes, shampoos and cosmetics.

Effectiveness of TV Commercials in the internet age :

One of the fast growing sectors in India is the entertainment sector coupled with media.

Lot of initiatives is taken in the areas of creation and distribution of information through advertisements in various channels and platforms including digital, mobile and non-digital packed with regional content to attract more viewers. One often view and listen to various technologies like 4G which would take advertising to a different level within a short period.

The Indian economy grew at a faster pace in 2010 compared to 2009, which resulted in good consumer spending and hence more advertising. Year 2011 will witness higher growth as per estimates and the Indian advertising agencies are expected to grow by 17 % .According to Pitch Madison Media Advertising Outlook 2011, Indian advertising revenues could be up by US\$889 million taking the total advertising revenue to US\$ 6137 million covering the media and entertainment industry as well..The entertainment industry in India is estimated at about US\$ 9.4 billion in revenues in year 2010, which is expected to grow at a rate of 14.1 per cent to reach revenues of US\$ 10.7 billion in 2011. (Pitch Madison Media Advertising Outlook 2011)

Television

PricewaterhouseCoopers reports that the television industry is set to grow by 12.9 % over the period 2009-14, out of which the maximum growth of 15.6 % would occur in 2010 and 13% growth in 2012. The television industry will be growing over 20 % in 2011 because of World cup tournament in cricket and the local Indian premier league with an expected advertising revenue from these events of US\$ 405 million.(PricewaterhouseCoopers)

The DTH (direct-to-home) market is also increasing in India with active subscribers base of 23.1 million, with the result more players are entering the broadcasting space. Between December 2010 and January 2011, permission has been granted by the ministry of Information and Broadcasting to start additional 39 channels in India. According to Pitch Madison Media Advertising outlook 2011, with the increased number of channels, the advertising revenue in India would grow by 20 % and Television will remain the highest grosser of advertising revenue with a share of 45.7% of total advertising revenues.

Internet coverage of promotions in India

It is not an exaggeration to state that the internet is the most revolutionary new medium to be developed since the television in the late 1940s and 50s. The pace at which internet usages are growing, it is very difficult to pinpoint a particular strategy for advertising in internet. However there is a huge gulf between developing a brand new technology and adopting it to marketing. Have the marketers mastered the art advertising through internet?

Using SocialMedia for Advertising:

“Conventional marketing wisdom long held that a dissatisfied customer tellsten people. But...in the new age of social media, he or she has the toolsto tell ten *million*.”(Paul Gillin(2007), *The New Influencers*).

The usage of social media is increasing at a mind boggling rate, especially in India. The most popular sites used by the tech-savvy Indians are the Face Book, Twitter, LinkedIn, Orkut and You Tube. Various services like telecom, travel and financial organizations have started using social media and are spreading to consumer products as well. Number of companies like Snapdeal, Real Bridge has started using social media to popularize their business.

It is estimated that, roughly 80 percent of the internet users consume this media for more than two hours per day in India. The increase of the popularity of the social media is resulting in less usage time on all the other media. It is also observed that approximately 85 percent of the internet users are found to be visiting social networking sites and out of this majority of users are hooked to Face book. Students and young adults are found to be using the social media heavily.(“*Social Media in India and its Use in Advertising*”, *mapsofindia1*, March 19, 2011)

Presently many use social media sites for personal and professional level communications. Indian organizations use these media for talent hunting and to connect the dispersed workforce. There is a growing awareness among organizations that social media sites can be effective in brand building and perhaps promotion of goods and services. Even though lot of online monitoring and promotion tools are available, the Indian companies are using them only as a broadcasting tool and not a totally participative one. Users are encouraged to form discussion groups so that product awareness among the group is increased. The social media is generating huge success in the field of advertising. A recent example of such a success was the popular campaign ‘Sunsilk Gang of Girls’. (“social media in India and its use in advertising”, mapsofindia blog, march 19,2011)

“The exponential growth of social media, from blogs, Facebook and Twitter to LinkedIn and YouTube, offers organizations the chance to join a conversation with millions of customers around the globe every day. Despite the vast potential social media brings, many companies seem focused on social media activity primarily as a one-way promotional channel, and have yet to capitalize on the ability to not only listen to, but analyze, consumer conversations and turn the information into insights that impact the bottom line. For instance:

- Three-quarters (75%) of the companies in the survey said they did not know where their most valuable customers were talking about them.
- Nearly one-third (31%) do not measure effectiveness of social media.
- Less than one-quarter (23%) are using social media analytic tools.
- A fraction (7%) of participating companies is able to integrate social media into their marketing activities.”(The New Conversation: Taking Social Media from Talk to Action, a report by Harvard business review analytic services, HBR)

Therefore is it soap opera or social media?

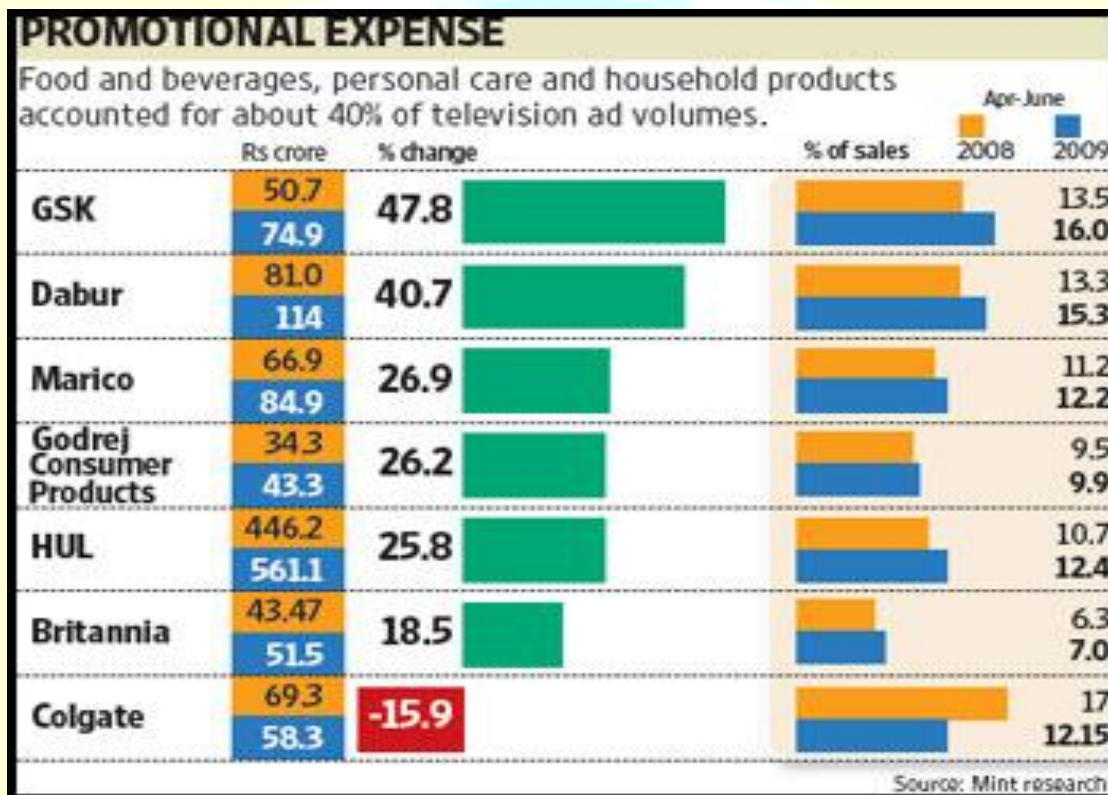
Recent Nielsen research (China Trend Watch, 2008) shows that an important influencer for making product choices is more ‘seen on Television (TV)’. At least 10 percent of respondents said that they would buy a product mainly because of watching it on TV. Nielson also suggested that this percentage would go up if such watching is coupled with recommendations from friends and relatives.

“However, some target groups are easier to reach via TV than others. A key Internet demographic, those aged 15-24 years old, watch the least amount of TV – around 2.3 hours per

day. The number of hours watching TV increases steadily with those aged 45+ watching on average four hours per day”. (“A China TrendWatch”, AC Nielson Consumer Report 2008)

Performance in terms of promotions of major FMCG companies in India in recent years

The survey conducted by a division of TAM Media Research Pvt. Ltd. reveals that the FMCG companies in India were generous while spending money on television advertising in June 2009 quarter and in fact the increase in advertisement spend ranged from 18% to 50 %. The slot of top 10 advertisers on TV was dominated by Hindustan Unilever, coca-Cola India, Reckitt Benckiser India Ltd and Cadbury India Pvt. Ltd.



Of late one witnesses companies having shifted their focus to volume-led growth and with number of new product launches, the advertisement spend had also increased. HUL increased its advertising expenditure by over 25 % to control its market share in both volume and value during the June quarter 2009. Dabur India Ltd, which increased its spending on advertising and promotions by about 40% this year from last, launched a new hair oil and Real Burst fruit drink and relies more on TV commercials.

The company organized talent hunt events and also sponsored partly a reality TV show “Rakhi ka Swayamver” . Times Network, Sahara Group, Colors and newspaper company Matrubhumi have launched their new TV channels. Reliance Broadcast has initiated a buyout of Turner-controlled Bollywood music channel Imagine Showbiz.

If spend on television advertising is anything to go by in India, the obvious answer goes definitely towards Soap Opera or Mega Serials. But with the projected growth in internet usage, will the Indian organizations shift gear and move towards social media more?.

At the same time The Associated Chambers of Commerce and Industry of India (ASSOCHEM) has a different View. “Companies in India have gauged the might of social networking and are currently spending over Rs 1,200 crore with 30 to 40 per cent of marketing budget on digital media according to the findings of a study titled ‘Explosion of Social Media: Transforming The Corporate Business Scenario,’ Releasing the highlights, ASSOCHEM secretary general DS Rawat said, “Goods and services worth about Rs 23,000 crore are traded currently on the social networks across the world and the figure is likely to swell to about Rs 1.35 lakh crore by 2015 with India’s share likely to cross Rs 10,000 crore mark during the course of next three to four years.”

This necessitated a thorough research by the author. Many well-known organizations (both consumer durables and convenience product) were approached to understand their future strategies in this regard. Many consumers were also interviewed to know their preferences in terms of acceptance of media for making buying decisions.

The Research problem:

Given the popularity of social media, is it prudent for Indian multinationals to reduce drastically their promotions from soap operas (Mega Serials as is known in India) and invest heavily in promoting their products thru social media?.

The researcher had sought answer to the above question through extensive exploratory research, mainly by interviewing the senior executives of some multinational companies

(including FMCGs and white goods manufacturers), local advertising companies and surveying a cross section of television viewers including home makers and young executives through Questionnaire.

With a sample size of 268 home makers and young executives, the outcome made an interesting reading. While 88 % of the home makers preferred mega Serials to advertise both convenience and white goods , 62 % of young executives said that for white goods and some FMCG products they followed the social media. In fact their buying decisions were influenced by social networks and community networks in complex products.

To a question that required them to describe their personalities under five different categories (viz. adventuristic, traditional, sociable, dynamic and glamorous) nearly 61% fell in the category of being sociable while 24 % were found to be traditional. Almost 13% were in the category of dynamic and the response on other two personalities was negligible.

58 % of the students surveyed admitted that they did not regularly watch mega serials but were using at least one of the social media sites like facebook or twitter and their purchases were limited to garments and stationary. Most bought regular consumables from known brands or impulsively (sometimes when offers were on). Almost all the homemakers admitted to watching serials and picked up some products from advertisements during the serials. However they also went by popular brands while making purchases. Those in service mostly relied on colleagues' / friends' recommendations while purchasing products and used the advertisements for referencing. In fact they listened to advertisement on FM radios while driving to the office and back home.

The income earned did not have any bearing on the usage of either TV or Social Media as almost all the respondents watched Television and were on one of the social websites. However they agreed that advertisements in social network did not attract them as much as on Television or Radio or outdoor, including Bill Boards.

The executives of the advertising companies were of the opinion that social networks were gaining popularity over other media and hence slowly but surely more and more companies are getting into this space. In fact they felt that digital advertisements via social media were well accepted by the younger generation who blogged regularly on such advertisement and promotions.

But many decision makers of FMCG companies and white goods manufacturers preferred to adopt a wait and watch policy to see the effect of social media among the middle class who were the active buyers of their products. With the increase in number of TV channels of late and hence continuous dose of mega serials and reality programs, the decision makers felt that there were more chances of their products/brands getting acknowledged by the middle class than in any other media. Some organizations have started forming brand communities through social media. Should such communities prove useful for promoting their products the organizations would spend more money on social media.

Conclusion:

India is country with very large middle class population and they are the heaviest consuming class. With predictions that more than 40 % of the population will be in the 20-40 age group with substantial consuming power by 2025, marketers should prepare to woo this group to consume their products/brands. While at present the social media is at nascent stage and hence promotions through soap operas and reality shows seem more profitable, it will be the social media that could bring excellent revenues in future. The prudent companies are already preparing themselves to go big in their campaign through social media.

References:

1. ArvindSinghal&Everret M. Rogers (1988), "Television soap operas for development in India", Annenberg school of Communications, university of Southern California, L.A., U.S.A. Gazette 41:109-126 (1988) , Kluwer Academic Publishers, Dordrecht, Netherlands.
2. "As India flips thru Facebook, Marketers poke into, Social Media", The Economic Times, page-1, May 7, 2011.
3. China Internet Network Information Centre (CINIC). Statistical Survey Report, Internet development in China, July 2007
4. 'Explosion of Social Media: Transforming The Corporate Business Scenario,' Domestic companies spending over Rs 1,200 crore on social media campaigns: ASSOCHAM, October 04,2011.
5. "FMCG majors gear up for new soap opera", Financial express Mar 28, 2009 , browsed on 20/04/2011
6. "Indians spend less time on social networking sites: comScore", <http://www.afaqs.com/news/story.html?sid=26745>, browsed on 08/04/ 2011
7. Joe Cappo (2004), The Future of Advertising, Tata McGRAW- Hill Publishing Co. Ltd.
8. Paul Gillin(2007), *The New Influencers*, Linden Publishing.
9. "Media Return on Investment (ROI) and the Increasing Importance of Channel Marketing", China Trend Watch, a Nielsen consumer report, February, 2008.
10. "Media Sector Analysis Repot", <http://www.equitymaster.com/research-it/sector-info/media/> equitymaster.com, browsed on 26/04/2011
11. "Media and Entertainment", <http://www.ibef.org/industry/mediaentertainment.aspx>, IBEF, browsed on 26/04/11.
12. "Nielsen Television Audience Measurement", www.agpnielsen.net, browsed on 24/07/ 2011.
13. " social Media in India and Its Use In Advertising", <http://blog.mapsofindia.com>, browsed on 19/03/2011.
14. "The New Conversation: Taking Social Media from Talk to Action", a report by harvard business review analytic services, August 01, 2010.
15. "what people watch, what people buy", /The Nielsen Social Media Report 2012, www.nielsen.com, browsed on 21 /10/2012
16. "15% Increase In Internet Advertising Revenue In 2010", <http://www.webanalyticsindia.com/2011/04/15/> , browsed on 26/04/2011