Marketing Strategies Followed by FMGC Companies and Suggestions for Better Brand Position in Turkey

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Fast moving consumer goods (FMCG) or consumer packaged goods (CPG) are products that are sold quickly and at relatively low cost. That product comprises non-durable goods such as soft drinks, toiletries, and grocery items. Customers noticed or experienced almost every day when visit a shop to purchase some products, they leave from shop by purchasing some other products which were not on their shopping list or they did not think its need. How many times it has happened that you exited shopping malls with the products or merchandise in your shopping bag which you did not intend to buy or had no idea to buy when you entered that mall just to buy some product/s needed by you or maybe you entered that mall just to stroll and kill time. Delivering a right product to the masses which they required is always a key to success. A full detailed market research report is very effective before any product launch. The aim of paper carried out is to understanding FMCG companies followed some effective strategies which make their brand outstanding as compare to the competition. These strategies are multi-brand strategy, product flanking, brand extensions, building product lines, new product development, product life cycle strategy, taking advantages of wide distribution network.

As a result of the paper there were significant positive correlations between the successes of an FMCG depends greatly on its marketing strategy. An FMCG marketer pursues a wide combination of strategies. For example, when prices are competitive, the firm would use an extensive distribution network, design suitable advertising and sales promotion schemes from time to time.

**Keywords:** Fast moving consumer goods, marketing strategies, multi-brand strategy, product flanking

**Introduction**

Fast moving consumer goods (FMCG) or consumer packaged goods (CPG) are products that are sold quickly and at relatively low cost. That product comprises non-durable goods such as soft drinks, toiletries, and grocery items. The fast-moving consumer goods (FMCG) sector is one of the most volatile and toughest categories in which to succeed and sometimes considered the birthplace of modern branding (Carter, 2014). The competition has always been fierce and the fight for wallet share never more challenging then it is now. Nestlé, Procter & Gamble and PepsiCo are the world’s largest FMCG companies. The other FMCG firms operating in Turkey can be listed as follows:

- Peyman is a FMCG player in the Turkish snacks market focusing on the highest growth sub-segment - dried fruits, nuts and seeds ('DFNS').
• Nestle is the leading Nutrition, Health and Wellness Company. (Nescafe, cafemate, cappuccino, nesquik, chokella, crunch, damak, kitkat, nestle, erikli water, nestle purelife etc.)
• Hayat Kimya is a leading player in the FMCG industry, and one of the biggest global companies established by Turkish investors. (Home care category: Test, Bingo, Has), (Hygiene category: Molfix, Joly, Molped), (Tissue category: Papia, Family, Focus, Tero).
• Johnson & Johnson have beauty products (Clean&Clear, Johnson’s Adult, Neutrogena, Le Petit Marseillais, baby care products (Johnson’s baby) and oral care products (Listerine) as a FMCG firm.
• Danone (Danissimo, active, dinette),
• Coca-cola (light, zero etc),
• Henkel (Beauty care, laundry& home care products etc.)
• Mondelēz International in Turkey is home to many brands. These are First, Falm, Sipsevdi, Jelibon, Topitop, Olips, Missbon, Tofita, PopTip, Kent, Milka, Toblerone.
• Heinz (Barbecue sauce, Hot Chilli sauce, Heinz ketchup, Heinz mustard, Heinz mayonnaise)
• Kellogg Company (Coco Pops, Special K, Corn Flakes, Kellogg’s Granola)
• Uludag Beverage (Natural Spring Water, Sparkling Natural Mineral Waters, Fruit Flavored/Concentrated Sparkling Natural Mineral Water, Carbonated Soft Drinks, Energy Drinks, Still Drinks)
• Unilever in Turkey have many brands Omo, Dove, Lux, Knorr, Lipton, Magnum, Max, Cornetto, Carte d’Or, etc.

The major FMCG segments are personal care, food & beverage, household care, tobacco and oral care. Food segment is the leading segment in FMCG sector. Taste and preference of customers are changing rapidly so the companies are adopting innovative process in response to technological development to match current customers requirement so there is a huge opportunities in the sector.

Aim and Objective

The aim of paper carried out is to understanding FMCG companies followed some effective strategies which make their brand outstanding as compare to the competition. These strategies are multi-brand strategy, product flanking, brand extensions, building product lines, new product development, product life cycle strategy, taking advantages of wide distribution network.

Research Methodology

This study is based on secondary data. The study is conceptual and exploratory in nature. This study explored the strategies in marketing of FMCG products and explains the conceptual framework of marketing strategies and its importance in marketing and FMCG sector. Secondary data is used from different research works for understanding the marketing strategies followed by FMCG companies for making their brands outstanding in Turkey and its necessity in current globalised scenario.

Review of literature
According to the studies were carried out by different researcher to explore marketing strategies. Saxena (2011) focused the study on marketing innovation in FMCG sector through different models which provide suggestion to bring innovativeness in marketing. Bressoud (2013) carried studies on innovation in FMCG by testing it in experimental versus real store and found virtual store testing is not successful which is a new method in comparison to real store. Khare and Ali, (2015) focused his studies on marketing innovation in FMCG sector. Moss and Scuiling, (2004) defines what branding is, describes the advantages of developing brands in the pharmaceutical industry and highlights the key differences between brands in the FMCG and pharmaceutical industry.

Some researchers have discussed the appropriateness of different branding strategies for the FMCG sectors (Mann and Kaur, 2013). Individual brand type is advocated to be the most appropriate for FMCG companies (Kotler and Armstrong, 1997). However, Laforet and Saunders (2005) find that in actual practice, FMCG companies are using individual brand type in combination with corporate or house brand type. Saunders and Guoqun (1996) empirically demonstrate that consumers prefer corporate and individual brand types together for an FMCG product than either brand type used alone. In contrast, Laforet (2011) reports that corporate brand does not add any value to products in the FMCG sector. For the services sector, corporate brand type is recommended as the best option (Berry, 2000; McDonald et al., 2001). On the contrary, Rahman and Areni (2009, 2010) argue that service companies should also develop individual brands and should use them in combination with their corporate brands. For durables, corporate brand type is opined to be the most appropriate choice (Anisimova, 2007).

### Marketing Strategies Followed by FMCG Companies

Today’s FMCG industry is a multi-billion dollar sector that’s typically dominated by well-established household brands around the globe, from Coca-Cola to İpek Kagıt (Selpak) to Henkel. Breaking into that market as a new brand can be a serious challenge, particularly when you are up against global power houses that have ruled their respective niches for decades with deep pockets.

Size of FMCG industry is mostly correlated with the population and economic power of the country. Hence, it can be easily said; FMCG industry is considerably big and demanding in Turkey with country's population over 80 million people. There are thousands of companies which trying to cover this huge demand to FMCG in Turkey both with manufacturing and importing. The most successful brands are consistently creating an authentic customer experience around their consumable products, one that is worthwhile and personally engaging. These brands spring their core target consumers a more compelling reason to buy and create brand perceptions through their brands personality, promise, values, story, which their customers find resistless. The whole brands in the world are backed up by a history. Consumers are aware of some stories. Every brand has an importance, standing, vital signs colour, attitude, and diverse attributes.

![Figure 1](FMCG Industries)
What keeps them front of mind in terms of customer preferences, and how can these strategies be incorporated into companies' own branding efforts? The market is constantly evolving, and the brand must be flexible enough to keep up with the changing times. Successful FMCG brands understand how to recognize trends and implement shifts in strategy that will help them continue to stay relevant and meet market requirements over the years and decades. Some of the major strategies adopted by FMCG companies for making their brands outstanding compared to competitions are as follows:

I. Multi-brand Strategy
II. Product Flanking
III. Brand Extensions
IV. Building Product Lines
V. New Product Development
VI. Product Life Cycle Strategy
VII. Taking advantages of wide distribution network.

The success of an FMCG depends greatly on its marketing strategy. An FMCG marketer pursues a wide combination of strategies. For instance, when prices are competitive, the company would use an extensive distribution network, design suitable advertising and sales promotion schemes from time to time.

Multi-brand Strategy

A company often nurtures a number of brands in the same category. There are various motives for doing this. The main rationale behind this strategy is to capture as much of the market share as possible by trying to cover as many segments as possible, as it is not possible for one brand to cater to the entire market. This also enables the company to lock up more distributor shelf space.

Unilever in Turkey have introduced many brands like “Magnum” in premium segment, the love of children “Max”, the freezing of young and young residents “Cornetto”, the generous flavor of houses “Carte d'Or”, refreshing and low calorie “Fruttare”, meaning thereby, the company has not left any segment untouched.

Product Flanking

Product flanking refers to the introduction of different combinations of products at different prices, to cover as many market segments as possible. It is basically offering the same product in different sizes and price combinations to tap diverse market opportunities. The idea behind this concept is to flank the core product by offering different variations of size and price so that the consumer finds some brand to choose from. Cornflakes in small sachets and premium detergents (Tide in USA, Ariel etc.) in small pouches are examples of this strategy. Refers to the introduction of different combinations of products at different prices, to cover as many market segments as possible. It is basically offering the same product in different sizes and price combinations to tap diverse market opportunities.

Brand Extensions

FMCG firms make brand extensions in the hope that the extensions will be able to ride on the equity of successful brands, and that the new brand will stand in its own right in the course of
time. A well respected brand name gives the new product instant recognition and easier acceptance. It enables the company to enter new product categories more easily. For e.g.: Heinz ketchup brand extensions are Barbecue sauce, Hot Chilli sauce, since these brands have been positioned at different segments. Similarly, Heinz ketchup, Heinz mustard, Heinz mustard and Heinz mayonnaise are various brand extensions of regular Heinz Brand. Companies make brand extensions in the hope that the extensions will be able to ride on the equity of the successful brands.

**Building Product Lines**

Some companies add related new product lines to give the consumer all the products he/she would like to buy below one umbrella. For e.g: Mondelēz International in Turkey is home to many brands. These brands are First, Falim, Sipsevdi, Jelibon, Topitop, Olips, Missbon, Tofita, PopTip, Kent, Milka, Toblerone. Similarly, Kellogg Company has related cornflakes as differed product lines. Companies add related new product lines to give consumers at the products they would like to buy.

**New Product Development**

A company can add new products through the acquisition of other companies or by devoting one’s own efforts on new product development. With the help of new products a company can enter a growing market for the first time, and supplement its existing product lines. For example; Proctor and Gamble is leading company in the world as reputed for new products development. Companies that fail to develop new products would expose themselves to great risk and might face stagnation in future.

The existing products are vulnerable to changing consumer needs and tastes, new technologies, shortened product life cycles and increased domestic and foreign competition. A company can develop new products either through R&D in-house or by acquiring other company or both. It is seen that a lot of products being brought into the market day in and day out. Some companies which have thrived in the market due to innovative product development are FMCG companies. However, new product development is not an easy ball game. There are many aspects which the company has to take into consideration before even thinking of new product development. These aspects and the challenges of new product development are below:

- Cost considerations
- Is the market ready?
- Is the product coming late to the market?
- Resources
- Can product line extension suffice?

**Product Life Cycle Strategy**

Economic conditions change, competitors launch new assaults, and the products encounters new types of buyers and new requirements are situations in which a FMCG company try to extend the Product Life Cycle. In the mature stage of the Product Life Cycle, some companies abandon their weaker products. They prefer to concentrate their resources on their more profitable products and quickly develop new products.
An FMCG has short life cycle whereas an industrial product has long Product Life Cycle. According to Product Life Cycle, companies plan to develop new products after abandoning the old product which has experienced the decline stage of product life cycle curve. FMCG products are those products which have short life span which are used for short time and are replaced within days, week and month or within a year. Since FMCG products are replaced rapidly so they are having high market demand. They operate at a lower margin. Some of the FMCG products are such as packaged foodstuff, household accessories, soaps, detergents, shampoos, toothpaste, shaving products and shoe polish, etc. Therefore, marketers continually try to introduce new brands to offer something new and meet the changing requirements of customer. It is prudent for a marketer to innovate from time to time both by technological expertise as well as from the consumer’s or dealer’s feedback.

Wide Distribution Network

In modern companies’ distribution network has a great impact on the success of any business. In the FMCG segment the role of an excellent distribution channel becomes even more crucial because the delivery of FMCG product is confined to day to day basic. Therefore, in order to survive and thrive in a highly competitive market you have to have a distribution channel which has no problem at any point of the distribution channel. An extensive distribution system can be developed over time, or the company may acquire another company which has an extensive distribution network.

Some of the values of FMCG industry, which made this industry as a potential one, are low operational cost, strong distribution networks, presence of renowned FMCG companies. Some of the well known FMCG companies are: Nestlé, Unilever, Procter & Gamble, Coca-Cola, Pepsi etc. Coca-Cola and PepsiCo’s or Nestle and Danone wide distribution network systems have made them market leaders. A company usually expands the market for its brand in two ways, either to increase the number of customers or by encouraging more consumption per intake.

The usage rate of the consumers can be increased in 3 ways:
1) It may try to educate or persuade customers to use the product more frequently.
2) The company can try to induce users to consume more of the product on each occasion.
3) The company can try to discover new product uses and convince customers to use the product in more varied ways.

Conclusion

Encouraging for FMCG industry is to captivate new customers and retain them; therefore, it is necessary to make pace with technological change and to satisfy the changing tastes and preference of customers. FMCG firms should offer the product with affordable cost, new packaging, and design. Innovation process should be continuous and it should provide to local needs rather than global.

As a conclusion that FMCG firms need to re-focus their marketing strategies and start consider the importance of Turkish market. They can try to change demand of the market following are few of the important strategies that can prove to be very useful, by communicating and changing quality perception, by understanding cultural and social values, by providing what customer want, by associating themselves with Turkey, by effective media communication, by adopting localized way of distributing etc.
References


