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THE IMPACT OF DIGITAL MARKETING IN SHAPING THE CUSTOMER ENGAGEMENT AND ITS IMPACT ON PURCHASE INTENTION ON FMCG's IN CHENNAI CITY- AN EMPIRICAL STUDY.

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ABSTRACT:

Today Online Marketing plays a major role as digital marketing helps all the human activities involved in purchasing activities to do the digital marketing plays a significant place for the growth of a country. Fastest Moving Consumer Goods (FMCG's) Sector is one of the growing sectors in the market and is the necessity sector which is to also becoming competitive day by day due to new entrants in the market. Digital marketing is the cost efficient mechanism used by the marketers to advertise their products in the market which help them to create the customer engagement and its impact on purchase intention on FMCG's. The purpose of this research is to : (1) To find the impact of Digital Marketing on Customer Engagement in FMCG's , (2) To find the effect of Digital marketing on Purchase Intention of FMCG's, (3) To analyse the effect of customer engagement on purchase intention of FMCG's. This type of Research is causal research with a quantitative approach. The sample in the study was 100 consumers of FMCG's products. The study used in SEM analysis and the results in this study show that: (1) The impact of Digital Marketing on customer Engagement and their effect; (2) The impact of Digital marketing in customer Purchase Intention; (3) impact of customer Engagement on purchase intention of consumers.

Keywords: Digital Marketing, Customer Engagement, Purchase Intention, FMCG's.

INTRODUCTION:

Today the usage of internet is mainstreaming among professionals and the use of mobile is intensifying. Hence, smart marketers keep on top of the scale of change and develop their marketing strategies and easily understand the points where the consumers are spending their time in internet (**kamal sing rathaur (2017)**). WOM is the important role in digital and social marketing investigation, which is unexpected given the reliance consumers appear to have on socially sourced online information (**Sachin.S Bhosale, et. al,(2020)**).

Nowadays, Small and medium Enterprises (SME'S) also using digital marketing and e-commerce has a positive impact on SME's performance towards a product or firm (**Ali Mechman et. al., (2022)**). FMCG products involve those products which have smaller shelf life and are of regular used items. (Shastri, 2022). These institutions are identifying the customer purchase intention through the internet as well as social media. Social media marketing, its technology and its applications are used to analyse consumer's thoughts to improve the marketing skills of companies (**mukund kulkarni (2022)**).

Finally, the digital marketing tools plays key role in the implantation of companies marketing and business goals. The widespread use of digital marketing tools also conditions the active transition of the client base to digital channels, including social networks, where a company can achieve marketing and business goals especially with the helps is digital marketing (**katerya Bannikova et, al.,(2022)**). (Isoraite, 2016) Digital marketing creates the value among the customers by delivering better content regarding their FMCG brands which further helps in developing brand awareness among the customers. With collaboration with e-commerce tools, the marketers can sustain their brand in the market for longer period of time.

REVIEW OF LITERATURE

Alexandra Jones, et, al., (2022), from their analysis digital marketing helps marketers to understand the consumers perception and intention to purchase the products through internet.

Agus Masrianto et, al., (2022), stated that, digital marketing capability can be developed by combining the innovation ecosystem readiness index, digital transformation and digital marketing adoption, these tools helped for markers for facing the problems in competition and increase their sales.

Hartoyo Hartoyo et.al., (2021), the study reveals that there is an interrelationships between digital marketing usage, digital transformation, digital marketing capabilities and adoption eco system readiness.

Rima Rahmayanti et.al., (2022), during the COVID -19 pandemic period Digital Marketing plays a major role in all the business sectors. From this study, the researcher suggest that the implementation of education and sharing of knowledge about digital marketing and they realize the steps are taken to implement the pattern of education and strategic stages in starting and running a business in pandemic period.

Ritesh dwivedi (2021), examined that, SEM (Search Engine Marketing) is an important tool to be used in digital marketing which help the companies to target the right audiences moreover use of website can be said as a beneficial tool for the companies to expand their product and services by reaching wide number of audiences and use of correct keywords can helps to increase the visibility of the website and helps to get a higher ranking in the search engine ranking page (SERP)

Arun kumar sing et. al., (2021), Online marketing is tool of digital marketing useful to understand and analyse the customer intention and perception about product and its brand. Hence, online marketing helped for marketers for improving their performance.

Adelina Emini et. al., (2021), they used DIY model for analyse the digital market management. They stated that KOSOVO is a new form of digital marketing management and offers an excellent opportunity for business development and the findings show that the degree of perception of ease of use and the degree of control are statistically significant and positively affect the adoption of digital marketing in SME's.

Pepper, 2022, Digital marketing also provides the innovative medium to display their brand through which they can create awareness among the people regarding their FMCG brands. Digital marketing increases the scope for the marketers to understand the behaviour of the customers which further helps in increasing the Return on investment of Branding Strategies by decreasing the cost of advertising in the market through digital platform (**Ballantine, 2018**).

Manasmita panda et. al., (2022), pointed out that digital marketing in an effective way, the companies are required to design an effective platform, it is important aspect is to connect with the users. The ladder of engagement has shown the approaches to attach with the customers.

Lance Astoriano et. al., (2022), noted that Digital Marketing can build better relationships with customers since content is customized to their liking. They identified that digital marketing has significant impact on customer engagement and purchase intention. Customer engagement triggered by the advertisements presented on Face book and their email. In this study the researcher pointed that digital marketing is in the form of face book and email for understanding the customer buying intention.

RESEARCH OBJECTIVES

Based on the review of literature, the following objectives are identified as important and it is not analysed in the previous study related to the FMCG's, hence the study is analysed the impact of digital marketing in shaping the customer engagement and its impact on purchase intention in FMCG's ,

- (1) To find the influence of Digital Marketing on Customer Engagement of FMCG's,
- (2) To find the effect of Digital marketing on Purchase Intention in FMCG's,
- (3) To analyse the effect of customer engagement on purchase intention of FMCG's.

RESEARCH METHOD

This type of research is casual research. Casual research is research conducted to test whether variable cause changes in the other variable. The study used quantitative method to get the results of the relationship between the two. Quantitative research requires researchers to explain how variables affect the another variable. The sample size used is a multivariate type. The sample size of the study is 105, consumes of local FMCG's in Chennai city.

The analysis used in this method is partial least square (PLS) software. PLS is an analysis tool that allows researchers to obtain latent variable values for predictive purposes. Partial Least Square is a powerful method because it is not based on many assumptions. Although PLS can also confirm theories, it can also explain the absence of latent variable relationships. By focusing on the data and with limited estimation procedures, the misspecification of the model does not affect parameter estimation (Ghozali & Latan, 2015).

HYPOTHESIS FRAMED FOR THIS STUDY

H1 : Impact of Digital marketing in customer engagement of FMCG's.

H2 : Impact of Digital marketing with purchase intentions of FMCG's.

H3 : Effect of Customer engagement with purchase intentions in FMCG's.

RESULT AND DISCUSSION

RESULT

The researcher used SEM (Structural Equation Modelling) analysis with PLS (Partial Least Square) program tool. The impact of digital Marketing on customer engagement, digital marketing on purchase intention and customer engagement on purchase intentions of FMCG's are analysed in this study. The test results can be described in the figure below.

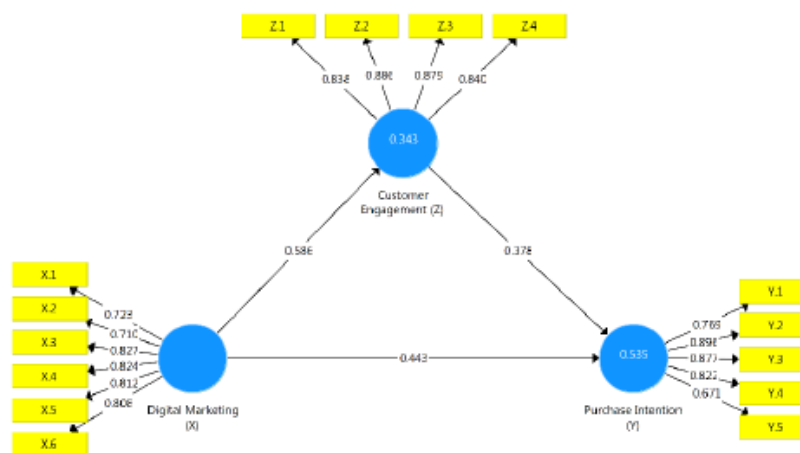


Figure 1. Measurement Model Test Results

Source: Output SmartPLS ver. 3.3.3 (2021)

The value of outer loadings on each questionnaire indicator that shows a number greater than 0.70 is considered good validity, so the data in figure 1 above has fulfilled this.

Table 1. Composite Reliability, Cronbach's Alpha, and R-Square

Variable	Composite Reliability	Cronbach's Alpha	R-Square
Digital Marketing (X)	0.807	0.982	
Customer Engagement (Z)	0.830	0.995	0.453
Purchase Intention (Y)	0.816	0.954	0.654

The composite reliability values are higher than the number 0.70 has high reliability. The result shows the criteria of good reliability. When the variable produces a value higher than 0.60 in cronbach's alpha which increase the magnitude of composite reliability. The result shows in the above table has strong reliability.

From the table, the magnitude of the R-Square value of customer engagement variable of 0.453, meaning that the customer engagement variable can be explained by the Digital Marketing variable of 45.3%. Likewise, the R-Square value of the Purchase Intention variable is 0.654, meaning that the Purchase Intention construct variable can be explained by the Digital Marketing and Customer Engagement variable of 65.4%.

Table 2. Path Coefficients Dan Indirect Effect

Information	Origin Sample	T-Statistic	Cut off	Decision
Digital Marketing (X) → Customer Engagement (Z)	0.575	7.287	≥ 1,96	Significant
Digital Marketing (X) → Purchase Intention (Y)	0.423	4.083		Significant
Customer Engagement (Z) → Purchase Intention (Y)	0.389	3.567		Significant

1. The t-statistical value of digital marketing's influence on customer engagement of FMCG's is $7.287 \geq 1.96$ with a direct influence coefficient of 0.586. So the influence of both variables is positive and significant.
2. The t-statistical value of Digital Marketing's influence on Purchase Intention of FMCG's is $4.083 \geq 1.96$ with a direct influence coefficient value of 0.443. So the influence of both variables is positive and significant.
3. The t-statistical value of Customer Engagement's influence on Purchase Intention of FMCG's is $3.567 \geq 1.96$ with a direct influence coefficient value of 0.378. So the influence of both variables is positive and significant.

RESULT ANALYSIS

Impact of Digital marketing in Customer Engagement of FMCG's.

The results shows that Digital Marketing has a significant impact on Customer Engagement, hence the T value of 7.287 proved that it is greater than 1.96. The impact of these two variable is positive, so that the greater digital marketing, the higher customer engagement. The results proved that, Hypothesis H1, which shows "there is an impact between Digital Marketing on Customer Engagement in FMCG's", so that the result is highly reliable. It is found from the study that digital marketing has been shown to have a significant and positive impact on customer engagement in FMCG's.

Impact of Digital Marketing in Purchase Intention of FMCG's

From the study, it is identified that Digital Marketing has a significant influence on Purchase Intention of FMCG's because the statistical T value of 4.083 means greater than 1.96. This shows that the better the company's implementation of Digital Marketing will increase purchase intention. Based on the results, hypothesis H2, shows that "there is an influence between Digital Marketing on Purchase Intention", can be expressed as acceptable. The result found that Digital Marketing had a significant positive effect on online Purchase Intention of FMCG's.

Effect of Customer engagement with purchase intentions of FMCG's

It is proved from the results that Customer Engagement has a significant influence on Purchase Intention because the statistical T value of 3.567 means greater than 1.96. This shows that the higher customer engagement formed in consumers will increase purchase intention. It is identified from the results that, hypothesis H3, "There is an Impact between Customer Engagement on Purchase Intention of FMCG's", can be

expressed as acceptable. Hence, it is proved that customer engagement positively impacts a customer's buying intention of FMCG's.

CONCLUSION

Promotion plays a major role in increasing the sales of FMCG's in the market because these products are the necessity of today's generation. As we all know FMCG Sector deals with necessities of consumers which are served through online modes and in this way, FMCG Sector showed a growing trend among the customers through digital mechanisms. Digital marketers of FMCG Brands not only attract the customers to purchase their brand but also create loyal relationships with them. From the study proved that digital marketing has a significant and positive effect on Customer Engagement in FMCG's; it shows that an increase in Customer Engagement can be formed through good Digital Marketing. On the meanwhile, Digital Marketing has a significant and positive effect on Purchase Intention of FMCG's; it can be interpreted that the better the implementation of Digital Marketing in introducing FMC products to consumers through online media, the more it will increase Purchase Intention. From the study it is understood that, Customer Engagement has a significant and positive effect on Purchase Intention; it can be interpreted that consumers' feeling of being bound to a company in purchasing a product will increase the consumer's purchase intention.

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