

(NIMS)
NUST Institute of Management Sciences

Thesis- Initial Draft

NIRALA
Sweets

Irresistible Temptations

**“Importance of Branding”
Branding the Pakistani Sweet Market
Case ~ Nirala Sweets**



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Preamble

Pakistan is at the dawn of the 21st century with growing and flourishing markets and a door of new opportunity opens with the growing needs. Pakistan's economy is growing fast and trying to cope up with the rest of the developed nations. When we talk about the growing economy, it is all because of the growth of different industries. Apart from the textiles, cotton, agriculture, sports and manufacturing industry the mithai (sweet) industry has also flourished. From small unbranded production the mithai industry is now being branded and even exported. This report focuses on the branding of the sweet industry done by "Nirala Sweets", a mithai (sweet) retailer, which started small but through its branding and positioning and segmentation it gradually expanded its product line and breath and now has local as well as international outlets. The report focuses on the branding strategies that the company adopted and how it has positioned itself in the mind of consumers and changed their behavior favorably towards them to gain a competitive edge over the rest of the competitors. The unique characteristic of this research work is the blend of marketing strategies with the modern brand management concepts and models. The researcher believes that this work will be of great value to the companies which are planning to go to international markets and eager to exploit new horizons.

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CHAPTER **1**: INTRODUCTION

As consumers, we don't really think about the importance of branding. We just seem to go with the flow of brand names that have become synonymous with our daily living. But the impact of a name reinforces the importance of branding when we promote our business. Think about one of the world's most popular athletic shoe companies, Nike. The importance of branding is exemplified by the fact that when you hear Nike, you think athletics and "Just Do It." A great brand name and association has catapulted Nike to the top of its industry.

This is the magic of branding and this is why it is becoming so very important for marketers to actually make their products stand in the top of mind of the consumers. This research is aimed at as how Nirala Sweets have branded the Pakistani sweet industry and established a strong position in the market.

1.1 Significance of the Research

This study work will be of particular importance because the concept and awareness of branding in Pakistan is increasing and this study is almost a complete marketing and branding research. The study will talk about overall strengths and Weaknesses of the sweet industry and search for the opportunities those exist in the international market for Pakistani sweet industry. This research will be a blueprint for future studies on the topic.

1.2 The Thesis Plan

The study deals with the following topics

1. Internal and External Environment (Environment Scanning). This includes SWOT analysis describing key Strengths, weaknesses, opportunities and threats.

2. Survey and Market research of the target market
3. Marketing Strategies
4. Branding Strategies
5. Applying major branding models on Nirala Sweets.

1.3 Research Methodology

Data will be collected for this research by using different sources and techniques:

Primary Sources

- ❑ Questionnaire's to be distributed among people who are regular users of Nirala Sweets
- ❑ Direct interviews and trade promotion conversation with the shopkeepers of the selected retail outlets.
- ❑ Consumer survey who are consuming or not consuming the product

Secondary Sources

- ❑ Internet
- ❑ Magazines
- ❑ Related handouts, brochures etc
- ❑ Already available reports on Nirala
- ❑ Books
- ❑ Periodicals and publications

1.4 Limitations of the Thesis

During any course of research there are certain limitations. For this specific study following can be the potential limitations:

- Limited access to information due company's laws and policies.
- Unable to inquire full information of international target market countries about the import or retail outlets of Nirala Sweets.

- This academic research will not emphasize any of the particular topics but will focus on the plan as a whole giving sufficient attention to each related.

1.5 Startup Venture of Nirala Sweets

1.5.1 Introduction

‘Nirala’ started as a Halwa purri (Breakfast) shop from a capital base of Rs.200 with the human resource of only 2 individuals in 1948 later adding ‘Mithai’ in the product range in the early 1970s. The business pretty much remained stagnant till the 1990s but gained momentum after the opening of first national outlet outside Lahore in 1999. Today however it’s a different story altogether. It makes dairy products in addition to sweets, and successfully runs a restaurant employing more than 650 people. It has 35 branches in Pakistan and currently exports to Sharjah, Dubai, Canada, Europe and USA. It has in-house design and software concerns rendering services to various other companies and stands tall in an environment where no industry standards are available¹.



52 years ago **Taj Din**, laid the foundation of a dream so unique for its time that he chose to call it "Nirala". Over the years, his family has embraced the timeless traditional values of good taste and unmatched quality, by bringing fresh mouth watering mithai so uniquely called Nirala! Today, they proudly uphold the traditions of their pioneer that have earned them the love and loyalty of millions of customers all over the world. They continue to make the happy moments of your life truly memorable and joyful and give you all the right reasons to stay in love with our Irresistible Temptation².

1.5.2 History Through the Ages

1940s

Nirala's legend began with the sub continent partition when Mr. Taj Din migrated from Amritsar, India to Lahore, Pakistan. He settled in one of the busiest areas of Lahore, The Meva Mundi, which was basically a market place where people came from large

distances to sell their goods. Mr. Taj Din had an entrepreneurial spirit and saw an opportunity to provide food to the travelers. He partnered with a friend to open a breakfast shop, which grew popular in a couple of years. During the same time, his partner sold off his share to him. Mr. Taj Din aspired to be the best in the business and wanted to develop a brand name everyone would recognize. He and his son, Farooq Ahmad, wanted to choose a name that was unique and thus Nirala was formed. The word Nirala stands for 'exceptional', 'distinctive', 'only one of its kind' and Nirala stands true to its name.

1950s

In 1952-53, Mr. Taj Din started selling methai as a complimentary line. He hired the best methai makers in the market. He also traveled to Karachi to hire methai makers that made methai fairly new to the people of Lahore. It was the first time cheese based methai was introduced in this region. The shop was then moved from Meva Mundi to Fleming Road. This was when Nirala got more recognition. In 1965, Nirala became the Official Methai Supplier for the Governor House.

1960s

1967-68 Mr. Farooq Ahmed joined the business when his father fell ill. During the decades following his joining the business, Mr. Farooq Ahmed was very instrumental in building up the business. He was more service oriented and wanted to change the concept of selling methai.

1970s

In 1970, Mr. Farooq Ahmed visited Japan and bought showcases for his shop. This was the first time when the concept of sales persons was introduced. Nirala moved a step ahead in 1971-72, when Mr. Farooq Ahmed decided that the conventional methods of packaging methai were too uninspiring. He contacted Packages, so they could help him create his ideas into reality.

1980s

In 1985, Nirala received the World Star Packaging Award from Packages. Nirala's

delights were served in the Islamic Summit Conference in 1974 and also were the favorites of the King of Jordan. In 1982, the outlet was moved from Fleming Road to Jail Road. This made Nirala more accessible to the rather modern areas of Lahore and gave its name a further boost. In 1987-88, Mr. Farooq Ahmed fell sick. His brothers then ran the business for a few years until Mr. Farooq's son (Faisal Farooq) decided to join the business in 1996.

1990s

During the first few years the business was expanded in the city. Therefore from year 1991 to 1994, Nirala spread in the major areas of Lahore by opening branches in Moon Market Allama Iqbal Town, Hafeez Center Gulberg and Sadiq Plaza Shahrah-e-Quaid-e-Azam, respectively. When Faisal Farooq joined the business, he took the business to higher grounds by deciding not to restrict their potential to a single city. In January 1999, the branch in Islamabad was opened and was an instant success. The following years saw the rapid growth of Nirala. Nirala's delights were also served in state dinners during the visit of Queen Elizabeth and Former First Lady of The United States, Mrs. Hillary Clinton. Nirala's sweets are served in state dinners to date.

2000s

Branches in Faisalabad and Karachi were opened in March and August 2000, respectively. Year 2001 saw Nirala move to a whole new level when its first international branch was opened in Dubai. Later that year another branch was opened in Defence, Township, Lahore and one in Rawalpindi in early 2002. Nirala also launched an outlet in Al-Fatah, one of Lahore's most popular shopping Centers. Early months of the year 2003 brought about worthwhile growth for Nirala, when 7 new outlets were added into its list. 3 more shops were opened in a day in Karachi. In Lahore, Lakshmi and Gulshan-e-Ravi were added to the list of shops in February along with one shop at Shell Fuel Station busiest outlet in Thokar Niaz Baig and another at Allama Iqbal International Airport in March. As the year progresses further, it is planned to add more shops in the cities of Sialkot, Gujranwala and Peshawar. Although the business is now operating on a whole new level since its humble beginnings more than half a century ago, the tradition of taste

and quality is still prevalent. Most of the products are still as original as they were two generations ago. Nirala only changes for the better.

1.5.3 Nirala's Vision

- a. To make Nirala a global brand, recognizable for uniqueness worldwide.
- b. To be an innovative and pioneer company continuously offering unique products and interesting service concepts others cannot even dream of.

1.5.4 Products

Every product is prepared and delivered meeting international standards of hygiene and freshness. Nirala offers not only a large variety of delectable methai to indulge that sweet tooth but also a wide range of products including:

- a. Spicy and crunchy Namkeenz
- b. Exotic flavors of Kulfis
- c. Creamy and velvety Rasmalai
- d. Kheer
- e. Firni.

1.5.5 Variety in Sweets

- a. **Mithai.** Nirala has a complete range of delicacies to suit any taste. Customer can now choose from an assortment of delicious sweets ranging from traditional delights to novel and unique tastes. These sweets are made from the highest quality ingredients available, and satisfaction is guaranteed. Some of the sweets are:

- 1) **Amrati.** Orange colored fried swirls dipped in sugar syrup.
- 2) **Angor Dana.** Soft and juicy colorful treats made with cheese and semolina.

- 3) **Almond Delight.** Delicious almond delight made with Khoya (condensed milk) and garnished with the eastern doughnut; a donut shaped flaky pastry.
 - 4) **Barfi.** Light brown Barfi stocked with lots of nuts.
 - 5) **Fudge.** Tasty fudge with the delightful taste of chocolate
 - 6) **Chum Chum.** Yellow oval shaped bits of juicy pleasure. Also available in coconut, pink sweet topped with shredded coconut.
 - 7) **Jalabi.** Golden and orange pretzel shaped spirals soaked in sugar syrup.
 - 8) **Jaman Kalay.** Deep fried plum colored dumplings dipped in sugar syrup.
 - 9) **Jaman Lal.** Enticing oval shaped sweet based on Nirala's exclusive recipe.
 - 10) **Ludoo Moti Boondi.** A hard ball shaped Ludoo made with flour pearls.
 - 11) **Ludoo Moti Choor.** A rich eastern preparation made with fine pearls of flour and topped with nuts and melon seeds. This sweet represents celebrations and joy.
 - 12) **Ludoo Qalqati.** Colorful fine flour pearls and raisins are combined to make a unique blend of color and taste.
 - 13) **Musa Sada.** Soft and crispy in taste and yellow and brown in color, this is what makes this appetizing sweet stand out.
 - 14) **Saib.** Mouth watering cheese based chum chum in soft colors, dipped in sugar syrup
 - 15) **Petha.** Crystal like white and pink sweet delicacy made from pumpkins.
 - 16) **Qalaqand Sabz.** A special taste to savor made from pumpkin and Khoya.
 - 17) **Rusgullay.** Cheese based syrupy delicacy made to satisfy anyone's sweet tooth.
 - 18) **Sada Barfi.** Soft fudge made from Khoya.
- b. **Premium Sweets.** The premium range is as unique as Nirala itself. They are made by the best of ingredients to create the richest of tastes. Nirala offers something so special that their customers will not find anywhere else.
- 1) **Soft Fudge.** Soft fudge with a rich blend of Khoya and almonds.
 - 2) **Baison Parey.** Round ball shaped delicacy made with gram flour..

- 3) **Gol Parey.** Delightful balls of Khoya with a topping of nuts.
- 4) **Pastry.** Sweet filling inside semi circular pastry wrappers
- 5) **Khakher Poora.** Crispy Crunch. The name says it all. A crispy biscuit like treat made from wheat.
- 6) **Ludoo Moti Boondi.** A hard ball shaped Ludoo made with flour pearls.
- 7) **Ludoo Moti Choor.** Moti Choor Ludoo with extra topping and weight.
- 8) **Ludoo Qalqati.** Colorful fine flour pearls and raisins are combined to make a unique blend of color and taste.
- 9) **Malai Khaja.** Round puri like pastry filled with sweet filling made of semolina.
- 10) **Pan Parey.** Hearts shaped treats made with Khoya and topped with lots of nuts.
- 11) **Phool Takian.** A very crispy variation of puri. Ideal to have with a cup of tea.
- 12) **Qatilamma Sada.** Large pastry dough filled with minced meat. (Beef or Mutton).
- 13) **Rustam Barfi.** Special Barfi with enriched toppings.
- 14) **Shahi Tosh.** A royal treat made with bread and Khoya.
- 15) **Shakar Paray.** Small crispy sweet crackers

1.5.6 Packaging

Hand Made Collection. Beautiful handmade boxes with eye-catching presentation, available in Fabric, Chunri and Velvet finish.

- a. **Chunri Box.**
- b. **Red Handmade.**
- c. **Pronto Handmade.**

Wedding Range. A large collection of boxes and pouches to add a special touch to customer's wedding celebrations. These are available in covers cardboard boxes and

pouches with stunning flower prints, unique boxes painted in silver, bronze and gold, and a wide range as listed below:

- a. **Golf and Dubai Pouch.**
- b. **Blue Pouch.**
- c. **Flower Pouch.**
- d. **Red Box and Bag.**
- e. **Flower Box.**
- f. **Pink Rose.**

Wooden Boxes. Stylishly designed wooden boxes, with the recipient's name etched on the top and the premium range of methai by Nirala, inside. It is ideal to be sent to multiple recipients on various corporate events. There is also an option of placing company's product sample or gift inside.

- a. **Wooden Box.** This carefully crafted wooden box gives an exclusive look.
- b. **Wooden Box with Pen.** This elegant wooden box, which carries recipients name on the top cover, is ideal for multiple recipients on various corporate events. This box can carry company's product sample or a gift along with methai by Nirala.

Tin Packaging. Elegant tin boxes printed with the text and picture of customer's choice. This is ideal for corporate giveaways and special events, offering ease in carrying and shipment.

- a. **Alfalah Bank Box.** This graceful, easy to ship tin box was specially made for Bank Al-Falah with a picture of a fountain at Bank Al-Falah square, Lahore.
- b. **Miniature Box.** This box has a print of Mughal miniature on the top and with its description on the backside.

Newborn and Birthdays. An adorable way to announce a newborn, first tooth or a birthday. Delightful teddy bear prints, truck shaped boxes and a complete animal box collection is available with Nirala to make a celebration extra special.

- a. **Animal Boxes.** Cute animal box collection is the best way to celebrate birthdays, hakika or any other function.

- b. **Teddy Bear with Bag.** This is to celebrate the Unforgettable moments of child's birth or on their birthdays.
- c. **Teddy Bear with Balloons.** An adorable teddy bear, surrounded by red and yellow balloons is a perfect choice for Birthday parties.
- d. **Blue Teddy Bear.** This simple and cute box, with a adorable teddy bear on the top can be given away on newborn, first tooth or on a birthday.
- e. **Menahil Bag.** An outstanding triangular box made of translucent plastic sheet, wrapped in pink paper. This comes in a beautiful bag with customer's name on it.

Other Range of Boxes. Custom made boxes for corporate giveaways, college events, reunions and special occasions like Valentine's Day are yet another specialty at Nirala. Some of these are:

- a. **ABN Box and Bag.**
- b. **NCA Box.**
- c. **Triangle Box.**
- d. **Valentine Box.**

1.5.7 Management Practices, Rules and Regulations at Nirala

1.5.7.1 Management

- a. Nirala's management believes in people values.
- b. They are build on a firm belief that only by delegating responsibility and functions can take the holistic approach that will make their company unique ensuring consistency.
- c. Quality-focused performance on all assignments.

1.5.7.2 Rules and Regulations

The core values, known as the Spirit of Nirala within the organization have not changed over the generations. The rules and regulations are based upon these core values. The core values provide enough strength to regulate activities and functions of Nirala Sweets.

- a. **Integrity**
- b. **Innovation**

- c. **Continuous Improvement**
- d. **Team Work**
- e. **Social Responsibility**

1.5.7.3 Human Resources

Nirala employees are always in quest of *exceeding customer expectations* through latest products and work practices. The Nirala team is a selected group of highly motivated professionals who reflect the highest levels of accomplishment in the industry. Together, the team forms a collaborative and cohesive group, which delivers their customers the best products and services. The Nirala team consists of dedicated professionals such as:-

- a. MBAs
- b. CAs
- c. Food Technologists
- d. Graphic Designers

1.5.8 Nirala's management believes in people values

To understand customer needs, a company must know who its customers are and what their needs are and what difference they can make. Nirala puts its customers under one word “people”. The following methodology

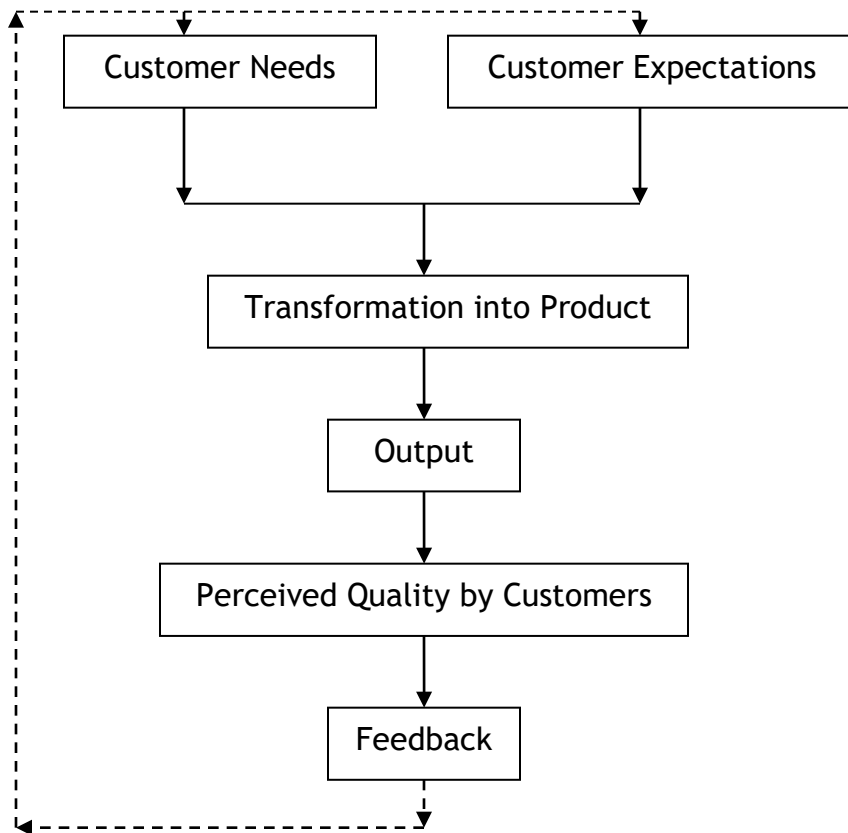


Figure 1: *Nirala customer need analysis system*

1.5.9 Quality-focused performance on all assignments

a. **Marketing and Sales**

Nirala has a separate marketing and sales department. They are responsible for determining the needs and expectations of the customers. Market research and customer feedback is the basis of developing quality products. Customers satisfaction surveys collect data in the areas of

- 1) Products
- 2) Quality
- 3) Availability
- 4) Accuracy

- 5) Cleanliness
- 6) Packaging

b. Modes of Advertisement

Nirala has taken firm steps toward building premier brand and marketing capability, having on board managers and professionals with broad industry experience to plan and drive upcoming product launches. Nirala decides products and services through extensive research techniques, advertisements and feedback. The marketing department of Nirala advertises on a huge level. Most of the emphasis is:-

- 1) Billboards
- 2) Brochures
- 3) Internet
- 4) Sponsoring

c. Purchasing and Receiving

We see that Nirala believes in single supplier and has great trust based relationships with them for the last forty years. When ever they come across any problem it is rectified with in no time by mutual consent of both the parties. So in case of Nirala and its suppliers it is a “**Win Win Situation**”. The purchasing department of Nirala works on the following aspects;

- 1) It selects quality conscious suppliers.
- 2) It ensures that purchase orders define the quality requirements specified by the organization.
- 3) It establishes long term suppliers relationships based on trust.
- 4) Provides suppliers information about any problems encountered with their goods.
- 5) Maintains good communication with suppliers as and when quality requirement change.

d. Production planning and scheduling

Nirala saves on most of the expenditure by providing the correct material tools and equipment that must be available at the proper time in proper places. This helps Nirala to maintain a smooth flow of operations.

e. Tool Engineering

There are certain employees in Nirala whose sole aim is to look after tools used in manufacturing and inspection. Hence effective measures are taken in case any of these problems occur. They look for:-

- 1) Worn manufacturing tools
- 2) Defective parts
- 3) Improperly calibrated gauges
- 4) Obsolete machinery

f. Packaging and Shipping

There is a huge variety of different packages that Nirala offers. They broadly define these into the following categories.

- 1) Hand Made Collection
- 2) Wedding Range
- 3) Wooden Boxes
- 4) Tin Packaging
- 5) Newborn and Birthdays

g. Quality Assurance

Managers and supervisors at Nirala are responsible for studying and improving the quality of the process for which he is responsible, thus every manager is a quality manager. Nirala has a separate quality control department which provides guidance to the whole organization in various departments regarding the level of quality.

1.5.10 Difficulties faced during Growth

A lot of effort and hard work goes into developing a reputation and same has been the case with Nirala³:

- They faced a lot of problems during their growth such as lack of trained and uneducated human resource.
- They were also subject to a lot of infrastructural bottlenecks such as there was lack of development of channel partners, transportation infrastructure and legislative barriers and limitations.
- Also it is a well-known fact that the financial system in our country is such that acquisition of capital is an arduous procedure so the founders of Nirala also had to cope up with the limited interest of financial institutions.
- In addition to that there was lack of R&D facilities and lack of market information data, which added to the existing challenges of developing a brand name.
- Domestic Commerce is very important and vibrant sector of the economy and the Government can play a key role in strengthening of this long forgotten sector.

CHAPTER 2: LITERATURE REVIEW

2.1 Brand

In marketing, a **brand** is the symbolic embodiment of all the information connected with a product or service. A brand typically includes a name, logo, and other visual elements such as images or symbols. It also encompasses the set of expectations associated with a product or service which typically arise in the minds of people. Such people include employees of the brand owner, people involved with distribution, sale or supply of the product or service, and ultimate consumers. In other contexts the term "brand" may be used where the legal term trademark is more appropriate.

2.2 The Importance Of Branding

BRAND changes are related to the expertise of management, the firm's strategic goals and market targeting activities, the branding activities of other firms, the sophistication of consumers, the level of involvement in the product category, the stage of the product life cycle and the development of branding in the relevant product category⁴.

2.2.1 Stage 1: Unbranded goods

Unbranded goods are generally treated as commodities, usually characterised by an excess of demand over supply. It is most closely approximated by developing Asian economies and is rarely seen in developed economies. Producers make little effort to distinguish/brand their goods, with the result that the consumer's perception of goods is utilitarian. Most resort to pricing strategy as a means of competitive advantage, which leads to thinner margins.

2.2.2 Stage 2: Brand as reference

Competitive pressures stimulate producers to differentiate their goods from other manufacturers. This is achieved primarily through changes in physical product attributes (e.g. higher grade rubber).

Consumers' memory networks expand beyond recognition of the basic product category to include other product information in order to evaluate goods on the bases of consistency and quality. They begin to use brand names based on their image of the brand as a heuristic device in decision-making.

An example is Zaitun products. By creating the concept of *Tanpa Was Was*, the marketer injects emotion into the consumer's learning and valuing process. Doing so brings the brand closer to the Muslim consumer through an emotional bond as a *halal* product.

2.2.3 Stage 3: Brand as a personality

As most manufacturers make the same claims, comparing the functional attributes of a certain product becomes very difficult. Therefore, marketers begin to give their brands personalities.

In the previous two stages, there was a distinction between the consumer and the brand. The brand was an object at some distance and was removed from the consumer. Incorporation of personal characteristics into the brand makes it more appealing. As consumers, individuals within a social group interpret marketer-sponsored information such as advertising and use brands to send signals to others about themselves.

2.2.4 Stage 4: Brand as icon

In this stage, the brand is "owned by consumers". They have extensive knowledge about the brand – frequently worldwide – and use it to create their self-identity.

An example is the Marlboro cowboy who is recognised around the world. The cowboy is rugged, a man against the odds, but he is not crude or lacking in sophistication.

Consumers who want to be perceived as strong, rugged or loners might smoke Marlboro cigarettes. The cowboy is a symbol or icon of a set of values. Other international examples are Ronald McDonald, Colonel Sanders from KFC, and even Nokia, which began as a business making quality rubber boots.

For an icon to be entrenched in the consumer's mind, it must have many associations – both primary (about the product) and secondary.

2.2.5 Stage 5: Brand as a company

This stage marks the change to post-modern marketing. Here, the brand has a complex identity and there are many points of contact between the consumer and the brand.

Because the brand equals the company, all stakeholders must perceive the brand (company) in the same fashion. Communications from the firm must be integrated throughout all of their operations. It flows from the consumer to the firm as well as from the firm to the consumer so that a mutually rich dialogue is established between the two. In stage five, consumers become more actively involved in the brand-creation process. They are willing to interact with the product or service in order to create additional value.

2.2.6 Stage 6: Brand as policy

Few companies to date have entered this stage, which is distinguished by an alignment of the company with ethical, social and even political causes.

A prime example is Body Shop. Consumers indirectly support the causes favoured by the company by purchasing its products. Through their commitment, consumers are said to own the brand. Before leaping into this stage, firms have to consider both the risks and their credibility as branding the company. The primary risk is alienating consumers who might not like the firm's stance.

In stages 5 and 6, the value of brands changes. While brand values in stages 1-4 were instrumental because they helped consumers achieve certain ends, brands in stages 5 and 6 exemplify terminal values, which are culminations of consumers' desire. For most firms, stages 3 or 4 will probably be the apex of their brand development. Stages 5 and 6 may be perceived as too costly to invest and risky to the stakeholders as well.

2.3 Brand Concepts

Some marketers distinguish the psychological aspect of a brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the **brand experience**. The psychological aspect, sometimes referred to as the **brand image**, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product or service. Marketers seek to develop or "align" the expectations comprising the brand experience through **branding**, so that a brand carries the "promise" that a product or service has a certain quality or characteristic which make it special or unique. A brand image may be developed by attributing a "personality" to or associating an "image" with a product or service, whereby the personality or image is "branded" into the consciousness of consumers. A brand is therefore one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace. The art of creating and maintaining a brand is called brand management. A brand which is widely known in the marketplace acquires **brand recognition**. Where brand recognition builds up to a point where a brand enjoys a mass of positive sentiment in the marketplace, it is said to have achieved **brand franchise**.

2.4 Brand equity

measures the total value of the brand to the brand owner, and reflects the extent of brand franchise. The term **brand name** is often used interchangeably with "brand", although it is more correctly used to specifically denote written or spoken linguistic elements of a brand. Where brand names have been given legal protection they constitute a trademark. The act of associating a product or service with a brand has become part of pop culture. Most products have some kind of brand identity, from common table salt to designer

clothes. In non-commercial contexts, the marketing of entities which supply ideas or promises rather than product and services (eg. political parties or religious organizations) may also be known as "branding". Consumers may look on branding as an important value added aspect of products or services, as it often serves to denote a certain attractive quality or characteristic. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding (such as a generic, store-branded product), people may often select the more expensive branded product on the basis of the quality of the brand or the reputation of the brand owner. Brands in the field of marketing originated in the 19th century with the advent of packaged goods. Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. These factories, generating mass-produced goods, needed to sell their products in a wider market, to a customer base familiar only with local goods. It quickly became apparent that a generic package of soap had difficulty competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product.

2.5 Criticisms of branding

Criticism has been leveled against the concept and implementation of brands, much of it associated with the "anti globalization" movement. One of the better known criticisms of branding is found in Naomi Klein's book, *No Logo*. The book claims that corporations' brands serve as structures for corporations to hide behind, and that such global problems as sweatshop labor and environmental degradation have been permitted and exacerbated by branding.

Criticism of branding also comes from within corporations, with some employees becoming frustrated by being limited by overall brand strategies that restrict what they can say, how they say it, and what Pantone color to say it in. Some shareholders also have concerns about the amount of money invested in branding. Skepticism toward branding has also grown in parts of the marketing community since the end of the dotcom boom, though for a very different reason: in many ways, branding has failed to live up to its

promise. Conventional branding sometimes operates on the assumption that a strong brand can substitute for actual differentiation – using extraneous imagery to manipulate consumers into paying a premium for a commodity product. In recent years, new approaches to marketing strategy have emerged, such as reason-based. ⁵

2.6 Brand management

Brand management is the application of marketing techniques to a specific product, product line, or brand. It seeks to increase the product's *perceived value to the customer* and thereby increase brand franchise and brand equity. Marketers see a brand as an implied promise that the level of quality people have come to expect from a brand will continue with present and future purchases of the same product. This may increase sales by making a comparison with competing products more favorable. It may also enable the manufacturer to charge more for the product. The value of the brand is determined by the amount of profit it generates for the manufacturer. This results from a combination of increased sales and increased price

2.7 Brand Rationalization

Refers to reducing the number of brands marketed by a company. Companies tend to create more brands and product variations within a brand than economies of scale suggest they should. Frequently they will create a specific product or brand for each market that they target. They also do this to gain precious retail shelf space (and also reduce the amount of shelf space allocated to competing brands). But this can be a very inefficient strategy so a company may decide to rationalize their portfolio of brands from time to time. They may also decide to rationalize their brand portfolio as part of an overall corporate downsizing. There are several problems associated with setting objectives for a brand or product category.

- Many brand managers limit themselves to setting financial objectives. They ignore strategic objectives because they feel this is the responsibility of senior management.

- Most product level or brand managers limit themselves to setting short term objectives because their compensation packages are designed to reward short term behaviour. Short term objectives should be seen as milestones towards long term objectives.
- Often product level managers are not given enough information to construct strategic objectives.
- It is sometimes difficult to translate corporate level objectives into brand or product level objectives. Changes in shareholders equity are easy for a company to calculate : It is not so easy to calculate the change in shareholders equity that can be attributed to a product or category. More complex metrics like changes in the net present value of shareholders equity are even more difficult for the product manager to assess.
- In a diversified company, the objectives of some brands may conflict with those of other brands. Or worse, corporate objectives may conflict with the specific needs of your brand. This is particularly true in regards to the trade-off between stability and riskiness. Corporate objectives must be broad enough that brands with high risk products are not constrained by objectives set with cash cow's in mind (see B.C.G. Analysis). The brand manager also needs to know senior managements harvesting strategy. If corporate management intends to invest in brand equity and take a long term position in the market (ie. penetration and growth strategy), it would be a mistake for the product manager to use short term cash flow objectives (ie. price skimming strategy). Only when these conflicts and tradeoffs are made explicit, is it possible for all levels of objectives to fit together in a coherent and mutually supportive manner.
- Many brand managers set objectives that optimize the performance of their unit rather than optimize overall corporate performance. This is particularly true where compensation is based primarily on unit performance. Managers tend to ignore potential synergies and inter-unit joint processes. ⁶

2.8 Corporate branding

Corporate branding refers to the practice of using a company's name as a product brand name. It is an attempt to leverage corporate brand equity to create product brand recognition. It is a type of family branding or umbrella brand. Disney, for example, includes the word "Disney" in the name of many of its products; among many other examples are IBM, Pepsi, and Coca-Cola.

Corporate branding can result in significant economies of scope since one advertising campaign can be used for several products. It also facilitates new product acceptance because potential buyers are already familiar with the name. A corporate branding strategy is generally only useful when the company is already well known with a very positive image in the target market.

One potential disadvantage of corporate branding is that the corporate name can become synonymous with a product category. Examples of this phenomenon are Kleenex and Tampax. Even purchasers of Charmin, a competitor to Kleenex, sometimes refer to the product as Kleenex. Although having such a dominant mind share is usually encouraged, the drawback is that products may not be treated individually, which reduces the focus on the products' unique characteristics. ⁷

2.9 Family branding

Family branding is a marketing strategy that involves selling several related products under one brand name. It is contrasted with individual branding in which each product in a portfolio is given a unique identity and brand name.

There are often economies of scope associated with family branding since several products can efficiently be promoted with a single advertisement or campaign. Family branding facilitates new product introductions by providing a 'foot-in-the-door' in potential customers' evoked set. When considering purchasing a new type of product, potential customers will tend to evoke in their minds a product with a familiar brand

name. Being a part of this evoked set could lead to trial purchase, product acceptance, or other advantages.

Family branding imposes on the brand owner a greater burden to maintain consistent quality and brand equity. If the quality of one product in the brand family is compromised, it could reduce sales of all the others. Family branding should only be done when a product line consists of products of similar quality. ⁸

2.10 Individual branding

Individual branding is the marketing strategy of giving each product in a product portfolio its own unique brand name. This is contrasted with family branding in which the products in a product line are given the same brand name. The advantage of individual branding is that each product has an image and identity that is unique. This facilitates the positioning process. ⁹

2.11 Brand Elements

2.11.1 Brand Name

A good **brand name** should:

- be legally protectable
- be easy to pronounce
- be easy to remember
- be easy to recognize
- attract attention
- suggest product benefits (eg.:Easy off) or suggest usage
- suggest the company or product image
- distinguish the product's positioning relative to the competition.

A **premium brand** typically costs more than other products. An **economy brand** is a brand targeted to a high price elasticity market segment. A **fighting brand** is a brand

created specifically to counter a competitive threat. When a company's name is used as a product brand name, this is referred to as corporate branding. When one brand name is used for several related products, this is referred to as family branding. When all a company's products are given different brand names, this is referred to as individual branding. When a company uses the brand equity associated with an existing brand name to introduce a new product or product line, this is referred to as **brand leveraging**. When large retailers buy products in bulk from manufacturers and put their own brand name on them, this is called private branding. Private brands can be differentiated from **manufacturers' brands** (also referred to as **national brands**). When two or more brands work together to market their products, this is referred to as **co-branding**. When a company sells the rights to use a brand name to another company for use on a non-competing product or in another geographical area, this is referred to as **brand licensing**.

2.11.2 Logo

A **logotype**, commonly known as a **logo**, is the graphic element of a trademark or brand, which is set in a special typeface/font, or arranged in a particular, but legible, way. The shape, color, typeface, etc. should be distinctly different from others in a similar market.



The Nike mark is an emblem.



The Panasonic logotype is a name in special typeface or font.



Logotype of Fifa World Cup, which includes the emblem, the name of the city and the year of this event.



The McDonalds logo with a *brand slogan* which helps to build up the brand image. As the emblem is so well known the actual name of the company is not needed at all.

In recent times the term 'logo' has been used to describe signs, emblems, coats of arms, symbols and even flags. At the end of this article several examples of 'true' logotypes are displayed, which may generally be contrasted with emblems, or marks which include non-textual graphics of some kind. Emblems with non-textual content are distinct from logotypes properly so-called.

The uniqueness of a logotype is of utmost importance to avoid confusion in the marketplace among clients, suppliers, users, affiliates, and the general public. To the extent that a logotype achieves this objective, it may function as a trademark, and may be used to uniquely identify businesses, organizations, events, products or services. Once a logotype is designed, one of the most effective means for protecting it is through registration as a trademark, so that no unauthorised third parties can use it, or interfere

with the owner's use of it. If rights in relation to a logotype are correctly established and enforced, it can become a valuable intellectual property asset. Many people believe that a logotype is just a graphic symbol or sign. This is, however, not the way it is defined by graphic designers and by advertising professionals. A logotype consists of either a *name* or a name and a sign. The images at right show examples of the two kinds of logotypes, so as a single emblem. While large corporations spend hundreds of thousands of dollars to update and implement their logos, many small businesses will turn to local graphic designers to do a corporate logo. ¹⁰

2.11.2.1 Logo design

Logo design is commonly believed to be one of the most difficult areas in graphic design. It's not just an image, it is the face of an organization, which is the visual representation of a brand. For brand continuity, and because of the expense involved in changing it, a "good" logo is expected not to be too trendy, but ideally last many years before needing a redesign. A good logo:

- is simple
- looks good in black and white
- looks good in small size
- looks good appearing in a variety of situations (i.e. on products, advertising)
- usually includes the name of the company
- communicates the image the company wants to project, as part of a strategy
- is instantly recognizable
- evokes some sort of emotional response.

It is useful to use pantone colors - universal colors which are used by professional print shops. Ready logo design is usually provided in vector graphics format. You can see logos on all types of business stationery, advertising, products, etc.

In general there are five types of logos:

- Text plus Image (Iconic Logo / Combination logo)

- Only Text (Wordmark Logo)
- Abbreviation plus Image (Iconic Logo / Combination logo)
- Only Abbreviation (Lettermark Logo)
- Only Image (Graphic Logo / Symbol Logo / Brandmark Symbol) ¹¹

2.11.3 Slogan

A **slogan** is a memorable phrase used in political or commercial context as a repetitive expression of an idea or purpose.

A political slogan generally expresses a goal or aim ("Workers of the world, unite!"), whereas an advertising slogan is most often intended as a memorable identifier ("The real thing"). Slogans vary from the written and the visual, to the chanted and the vulgar. Often their simple, rhetorical nature leaves little room for detail, and as such serve perhaps more as a social expression of unified purpose, rather than a projection for an intended audience. Slogans are attractive particularly in the modern age of informational bombardment from numerous media sources. Slogans are a core part of propaganda.

2.11.3.1 Brand slogan

Sometimes a slogan is included in the logotype. If the slogan appears always in the logotype, and in the same graphic shape, it can be considered as part of the logotype. In this case it is a *brand slogan* also called a *claim*, a *tagline* or an *endline* in the advertising industry. The main purpose of it is to support the identity of the brand together with the logotype. The difference between a *slogan* and a *brand slogan* is that *brand slogan* remains the same for a long time to build up the brands image while different *slogans* link to each product or advertising campaign.

Often the word *logo* is used instead of *logotype*. In practice, both terms are synonyms, but the meaning of *logotype* is specifically what is defined in this article, while *logo* has other meanings. The origin of logotypes goes back to the 19th century, when industrial manufacture of products became important. The new industrial procedures allowed a much higher output than that of the former handmade products. The new products were

distributed in large geographical areas, even nationwide. New competitors appeared from time to time, and the offer of products of a same kind increased notably. At that time, a significant part of the population was still illiterate. The industrial leaders became soon aware that the public would not easily differentiate their product from the same product of their competitors. More and more manufacturers began therefore to include a symbol, sign, or emblem on their products, labels and packages, so that all the buyers could easily recognize the product they wanted.

Today there are so many corporations, products, services, agencies and other entities using a sign or emblem as logotype that many have realized that only a few of the thousands of signs people are faced with are recognized without a name. The consequence is the notion that it makes less sense to use a sign as a logotype, even together with the name, if people will not duly identify it. Therefore, the trend in the recent years has been to use both logos and names, and to emphasize the design of the name instead of the logotype, making it unique by its letters, color, and additional graphic elements.

2.11.4 Packaging design

Packaging design can be viewed in four different ways:

- a means of protecting the contents of a package
- a contributor to the cost of the end product
- a sales canvas on which to promote the product's attributes and benefits
- a part of the product experience itself.

This article concentrates on the last two of these points, as it is here where design is concerned with adding real value. This is not to say that design has no role to play in improving product protection or in helping to improve cost efficiency - it has. For instance, design pundits often quote the egg carton as being a design classic. While the repackaging of many grocery items in foil wraps has not only improved shelf life and freshness levels of products, it has also improved product perceptions. Packaging design

in the modern age has gone way beyond simple functional benefits. It is now one of the most sophisticated and powerful examples of the designer's craft. ¹²

2.11.5 Jingle

A **jingle** is a memorable advertising slogan usually set to an engaging melody, mainly broadcast on radio and television commercials. Jingles are memes constructed to stay in one's memory and people often nostalgically remember them decades after, even after the brand has ceased to exist. The golden age of jingles was during the US 1950s economic boom.

Predominated in the advertising of branded products such as breakfast cereals, candy and snacks (including soda pop), other processed foods, tobacco and alcohol, various franchises and products that might reflect personal image such as automobiles, deodorants (including mouthwash and toothpaste) and household cleaning products, especially washing detergent.

Famous examples of jingles are:

- Toyota - "I love what you do to me. Toyota."
- Campbell Soup Company - "M'm, M'm Good"
- Oscar Mayer - "I wish I was an Oscar Mayer Wiener"
- Kellogg Company - "Snap, crackle, pop, Rice Krispies."
- U.S. Army - "Be all that you can be"
- Winston - "Winston tastes good like a cigarette should."

2.11.6 Brand Personality Dimensions of Jennifer Aaker

The **Brand Personality Dimensions** of **Jennifer Aaker** is a framework to describe and measure the 'personality' of a brand in five core dimensions, each divided into a set of facets.

It is an easy to understand model to describe the profile of a brand using an analogy with a human being.

The five core dimensions and their facets are:

- **Sincerity** (down-to-earth, honest, wholesome, cheerful)
- **Excitement** (daring, spirited, imaginative, up-to-date)
- **Competence** (reliable, intelligent, successful)
- **Sophistication** (upper class, charming)
- **Ruggedness** (outdoorsy, tough)

Each facet is in turn measured by a set of traits. The trait measures are taken using a five-point scale (1= not at all descriptive, 5=extremely descriptive) rating the extent to which each trait describes the specific brand of interest. The **Brand Personality Dimensions Framework** of **Jennifer Aaker** can be used to investigate the current status (IST) of a brand and to describe the desired future status (SOLL) of it. ¹³

2.12 Brand strength analysis

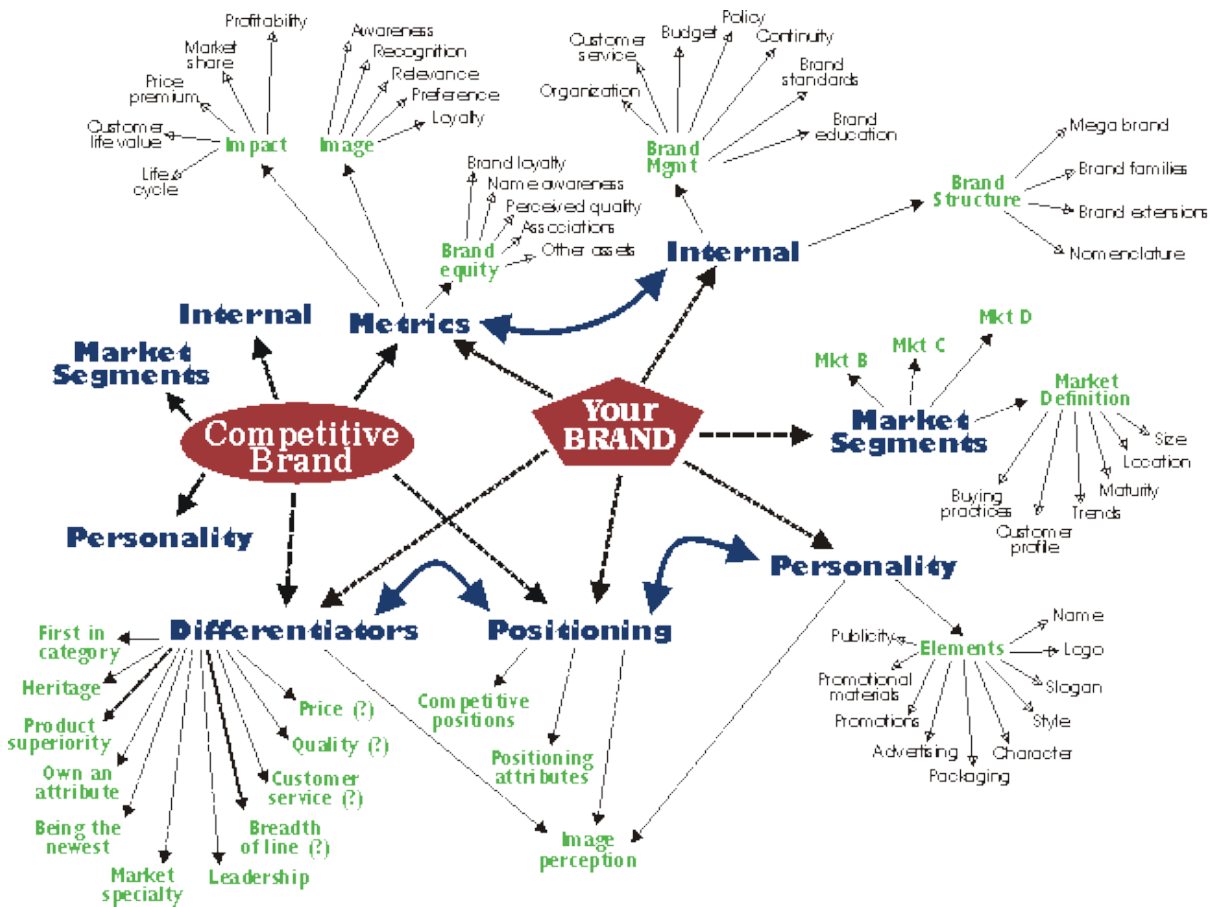
The amount of brand strength a software company has compared with its competitors is intangible which makes it hard to accurately measure. Combinations of techniques from competitor analysis can be used to form a relative comparison of companies over time. Crowley and Zajac have analyzed results of a questionnaire to how to determine the benefits of having a strong brand name in the software sector. Quantitative marketing research by sampling large customer bases using adaptive conjoint techniques and qualitative marketing research by focus groups and observing customers in stores are examples of this. Benefits are varied for having good brand recognition. Strength in branding can help speed up new product acceptance; enable market share penetration with efficiency in advertising; and serve as resistance to price erosion. During the decision process for software buying, usually 95% of customer buy a brand that they were previously aware of, 90% buy a brand that they considered beforehand, and 80% actually by the specific brand they expected to. These authors recommend that software firms maintain their brand image with actions that are consistent with the all encompassing brand strategy. (1996) Branding power measurement is an important way that companies can keep track of their position in the specific software market. ¹⁴

2.13 Brand Audit

In determining the strengths and weaknesses of an existing brand, or to cover all your bases when establishing a new brand, our brand audit checklist will prove of value. A generalized list of audit categories follow, but we go much further into the issues you see below when conducting an audit for a client.

Brand Audit Checklist: This is an amalgamation of branding considerations and issues gleaned from many sources. The chart below is a Mind Map, a technique created by Tony Buzan to depict relationships and present them in a rather organic form. You can click on any blue or green word or phrase to get more detail from the list that follows. You may also bypass the Mind Map and go directly to the linear checklist.

2.13.1 Brand Audit Mind Map



2.13.2 Brand Audit Checklist

Below are the elements to be considered in a brand audit. They are listed here in a linear fashion, although the audit process is not necessarily linear. We just had to make decisions to create the checklist. One significant aspect of the audit is to assure that all elements are geared toward consistent objectives and help reinforce the positive identity for which customers and prospects can ultimately develop a loyal relationship.

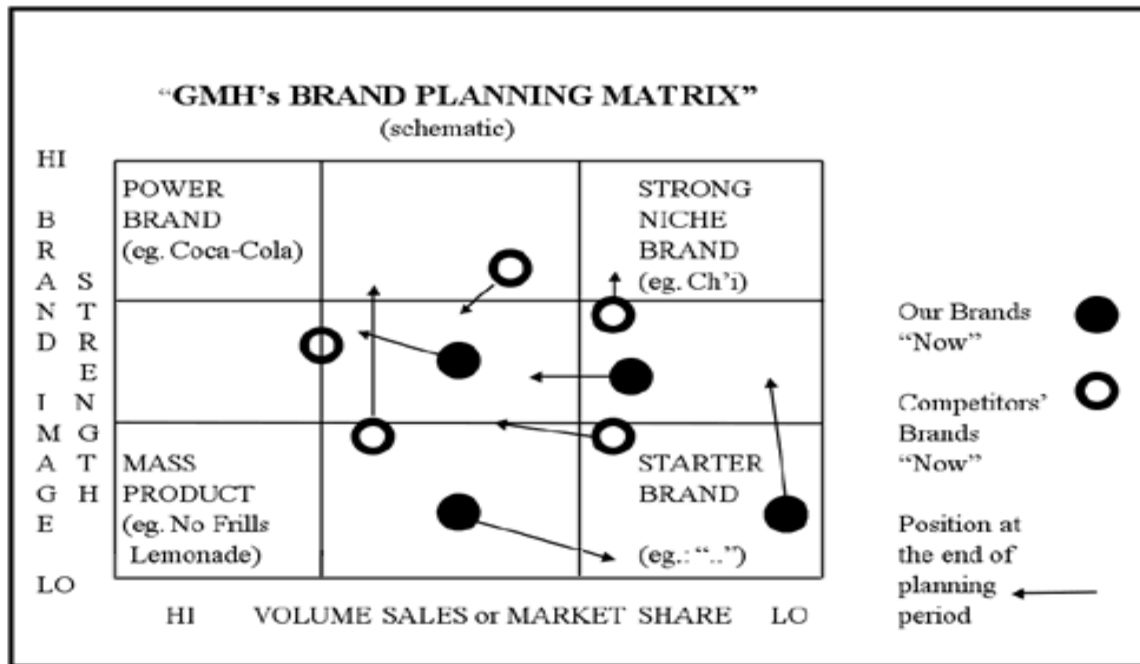
Your Brand: This is the hub from which six subject categories are spun. Those categories, plus competitive strategies and actions, determine how customers and prospects perceive and react to your brand, and how successful your brand is in contributing to your revenue and growth prospects.

Competitive Brand(s): A single hub for a competitive brand is depicted, but each significant competitive brand will want to be considered in the audit. The audit should consider all six categories as best you can, but specifically Market Segments, Differentiators, Personality and Positioning should be studied and profiled for each competitor because these are the areas in which competitive impact is most direct and significant.¹⁵

2.14 The brand portfolio matrix

One of the most intriguing questions in strategic brand marketing is the “positioning path” over time that a new brand should proceed along to reach its long-term desired position. For example, Coca-Cola was invented as a “brain tonic” by Dr. John S. Pemberton, a pharmacist from Atlanta in May 1886. The original concoction contained, according to the first-ever ad for Coca-Cola in the Atlanta Journal of 29 May 1886 - among other ingredients - “the properties of the wonderful Coca plant and the famous Cola nuts” (!!). It was mixed in the backyard of Dr. Pemberton’s shop and sold for five cents per glass. Today Coca-Cola is one of the biggest softdrink power brands worldwide (and the magic syrup for it certainly does not contain all the original ingredients!). The “positioning path” from Dr. Pemberton’s backyard novelty product to a world-class brand most certainly went through various and diverse stages. Can “positioning paths” be

plotted or planned when most research-based positioning models only provide static pictures?



Working with a leading New Zealand company in the wider grocery field with dozens of brands in their portfolio, positioned in various lifestyle target markets, the challenge arose to assist them with their longer-term brand portfolio development. With the time-honoured BCG (Boston Consulting Group) Matrix in mind, the author thought up a “brand new” way to plot the current and desired positions of this company’s brands. Its powerful simplicity is so compelling that the brand managers took to it “like wildfire”: All new brands start off from a “*Starter Brand*” position (low volume sales/low brand image strength). Some of them will eventually become “*Strong Niche Brands*” (high brand image strength/low to medium volume sales), “*Power Brands*” (high brand image strength/high volume sales) or just “*Mass Products*” (high volume sales/low brand image strength). Positions on the matrix do not follow the anti-clockwise product life cycle logic of the BCG Matrix (Question Mark to Star to Cash Cow to Dog). However, all strategic brand position moves in the matrix have resource implications (as in the BCG Matrix) and, in addition, provide valuable hints for the promotional mix:

2.14.1 BRAND PORTFOLIO MATRIX MOVES

- General **GROWTH** Direction: Upwards and Right to Left
- **Vertical Upwards:** Strategy and budget emphasis on strong brand building, less sales promotional emphasis, longer-term perspective in larger categories, short-term good volume results possible in niche markets
- **Diagonal Right to Left:** Strategy and budget emphasis on balance between brand strength and volume building
- **Horizontal Right to Left:** Strategy and budget emphasis on strong volume building, likely to be more effective where starting point above “Starter Brand” position
- **HOLD and DECLINE PATTERNS:** Have to be set relative to existing brand image and volume, ie. a stronger brand image slows volume decline

The Brand Portfolio Matrix allows for growth, hold and decline situations, both in volume and in image strength. How to use it? First a common understanding has to be reached in the planning group as to what the dimensions of the “box” should be. Should the grid comprise 9, 16 or 25 cells or even be rectangular? Volume or market share (volume divided by a constant figure) as a horizontal dimension do the same job. Unlike the pseudo scientific log scale for “Relative Market Share” in the BCG Matrix which confused many a user or student, just use a simple scale starting from zero on the right. The measurement units for the vertical dimension are more difficult to find. Unless your company uses Interbred (etc.) financial brand valuations regularly, the vertical measurements will simply have to be gut feel. It is surprising, however, how non-controversial that “gutfeel” can be amongst members of the planning group when the actual positions of all of the company’s brand are plotted. That is the next step after the matrix has been set up. You end up with a lot of “dots” reflecting the brands’ position on both the volume and brand strength dimensions. If you want to be ultra-sophisticated, draw a circle around each dot reflecting the brands contribution to the company’s total sales (remember the formula for the area of a circle is $r^2\pi$). It is also possible to draw segments (like one segment within a pie chart) within each brand position circle reflecting Brand Gross Profit or Brand Contribution Margin. The next step is to draw an

arrow reflecting the planned direction and end point for each brand's desired move within the planning horizon (with the end of the tip of the arrow reflecting its desired position "dot" then). Finally, plot the positions and expected directions of all the competing brands and, if available, their estimated relative sales size (circle) and Gross Profit or Contribution Margin (segment within circle). If the company is strong on segmentation, break out from the collection of all the brands those that are competing in a particular segment or segments in a separate matrix. If you know the basic positioning dimensions of brands in these target segments, e.g. X-axis: strong to light, Y-axis: sophisticated to unsophisticated, bring these into the segment-specific breakout. Now you have the scenario of the brand battle ground. The decision making can start: Sit back and ask yourself whether your tentative objectives (financial or non-financial) are realistic in the light of the "brand battlefield" picture. If you want to be the leading company, do your own versus your opposition's brands on the brand battlefield reflect "leadership". If you are following on the heels of the leading competitor, does the picture of the brand battlefield reflect your desired position objective? Out of the ensuing discussions will invariably flow the wisdom required for budget allocations and even broad promotional objectives (e.g. volume and/or brand strength; promotion/brand image strength vs. shorter-term volume achievement).

But remember: "GMH's Brand Planning Matrix" is in no way a "scientific" or decision making model by itself. It is a communications tool which provides condensed information about the brand portfolio at a glance, rather than in many long reports. The quality of this tool is as good as its accepted structure and the assumed brand positions - now and in now+x years are. The right strategic conclusions drawn from this "gadget" is what makes the quality of strategy, not the Brand Planning Matrix itself! ¹⁶

2.15 Ansoff's Matrix - Planning for Growth

This well known marketing tool was first published in the Harvard Business Review (1957) in an article called 'Strategies for Diversification'. It is used by marketers who have objectives for growth. Ansoff's matrix offers strategic choices to achieve the objectives. There are four main categories for selection.

Ansoff's Product/Market Matrix

Product \ Market	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

2.15.1 Market Penetration

Here we market our existing products to our existing customers. This means increasing our revenue by, for example, promoting the product, repositioning the brand, and so on. However, the product is not altered and we do not seek any new customers.

2.15.2 Market Development

Here we market our existing product range in a new market. This means that the product remains the same, but it is marketed to a new audience. Exporting the product, or marketing it in a new region, are examples of market development.

2.15.3 Product Development

This is a new product to be marketed to our existing customers. Here we develop and innovate new product offerings to replace existing ones. Such products are then marketed to our existing customers. This often happens with the auto markets where existing models are updated or replaced and then marketed to existing customers.

2.15.4 Diversification

This is where we market completely new products to new customers. There are two types of diversification, namely related and unrelated diversification. Related diversification means that we remain in a market or industry with which we are familiar. For example, a soup manufacturer diversifies into cake manufacture (i.e. the food industry). Unrelated diversification is where we have neither previous industry nor market experience. For example a soup manufacturer invests in the rail business.

Ansoff's matrix is one of the most well know frameworks for deciding upon strategies for growth

2.16 SWOT Analysis ¹⁷

SWOT analysis is a tool for auditing an organization and its environment. It is the first stage of planning and helps marketers to focus on key issues. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors. Weaknesses and threats are external factors.¹⁸

2.17 Value Chain Analysis



Value Chain Analysis

The value chain is a systematic approach to examining the development of competitive advantage. It was created by M. E. Porter in his book, *Competitive Advantage* (1980). The chain consists of a series of activities that create and build value. They culminate in the total value delivered by an organization. The 'margin' depicted in the diagram is the same as added value. The organization is split into 'primary activities' and 'support activities.'

Primary Activities

Inbound Logistics

Here goods are received from a company's suppliers. They are stored until they are needed on the production/assembly line. Goods are moved around the organization.

Operations

This is where goods are manufactured or assembled. Individual operations could include room service in an hotel, packing of books/videos/games by an online retailer, or the final tune for a new car's engine.

Outbound Logistics

The goods are now finished, and they need to be sent along the supply chain to wholesalers, retailers or the final consumer.

Marketing and Sales

In true customer orientated fashion, at this stage the organization prepares the offering to meet the needs of targeted customers. This area focuses strongly upon marketing communications and the promotions mix.

Service

This includes all areas of service such as installation, after-sales service, complaints handling, training and so on.

Support Activities

Procurement

This function is responsible for all purchasing of goods, services and materials. The aim is to secure the lowest possible price for purchases of the highest possible quality. They will be responsible for outsourcing (components or operations that would normally be done in-house are done by other organizations), and purchasing (using IT and web-based technologies to achieve procurement aims).

Technology Development

Technology is an important source of competitive advantage. Companies need to innovate to reduce costs and to protect and sustain competitive advantage. This could include production technology, Internet marketing activities, lean manufacturing, Customer Relationship Management (CRM), and many other technological developments.

Human Resource Management (HRM)

Employees are an expensive and vital resource. An organization would manage recruitment and selection, training and development, and rewards and remuneration. The mission and objectives of the organization would be driving force behind the HRM strategy.

Firm Infrastructure

This activity includes and is driven by corporate or strategic planning. It includes the Management Information System (MIS) and other mechanisms for planning and control such as the accounting department. ¹⁹

2.18 The BCG matrix

Product portfolio method

The BCG matrix method is based on the product life cycle theory that can be used to determine what priorities should be given in the product portfolio of a business unit. To ensure long-term value creation, a company should have a portfolio of products that contains both high-growth products in need of cash inputs and low-growth products that generate a lot of cash. It has 2 dimensions: market share and market growth. The basic idea behind it is that the bigger the market share a product has or the faster the product's market grows the better it is for the company.

Placing products in the BCG matrix results in 4 categories in a portfolio of a company:

- 1. Stars** (=high growth, high market share)
 - use large amounts of cash and are leaders in the business so they should also generate large amounts of cash.
 - frequently roughly in balance on net cash flow.
 - However if needed any attempt should be made to hold share, because the rewards will be a cash cow if market share is kept.

- 2. Cash Cows** (=low growth, high market share)
 - Profits and cash generation should be high, and because of the low growth, investments needed should be low. Keep profits high
 - Foundation of a company

- 3. Dogs** (=low growth, low market share)
 - avoid and minimize the number of dogs in a company.

- beware of expensive 'turn around plans'.
- deliver cash, otherwise liquidate

4. **Question Marks** (= high growth, low market share)

have the worst cash characteristics of all, because high demands and low returns due to low market share if nothing is done to change the market share, question marks will simply absorb great amounts of cash and later, as the growth stops, a dog. either invest heavily or sell off or invest nothing and generate whatever cash it can. Increase market share or deliver cash

Some **limitations of the Boston Consulting Group Matrix** include:

- High market share is not the only success factor
- Market growth is not the only indicator for attractiveness of a market
- Sometimes Dogs can earn even more cash as Cash Cows²⁰

2.19 Creating uncontested market space: Blue Ocean Strategy

Rather than competing within the confines of the existing industry or trying to steal customers from rivals (Bloody or Red Ocean Strategy) in the HBR of October 2004 W. Chan Kim and Renée Mauborgne suggest Blue Ocean Strategy: developing uncontested market space that makes the competition irrelevant.

According to Kim and Mauborgne, competing in overcrowded industries is no way to sustain high performance. The real opportunity is to create blue oceans of uncontested market space.

Of course competition matters. But by focusing on competition and "competitive advantage", according to Kim and Mauborgne, scholars, companies, and consultants have ignored two very important - and far more lucrative - aspects of strategy:

- One is to find and develop blue oceans, and

- The other is to exploit and protect blue oceans. These challenges are very different from those to which strategists have devoted most of their attention. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid.

There are two ways to create blue oceans:

- One is to *launch completely new industries*, as eBay did with online auctions.
- It is more common for a blue ocean to be created *from within a red ocean* when a company expands the boundaries of an existing industry. ²¹

2.20 BAV- Brand Asset Valuator

Measuring Brand Value

The Brand Asset Valuator of advertising agency Young & Rubicam measures Brand Value by applying four broad factors:

1. Differentiation – Differentiation is the ability for a brand to stand apart from its competitors. A brand should be as unique as possible. Brand health is built and maintained by offering a set of differentiating promises to consumers and delivering those promises to leverage value.

2. Relevance – Relevance is the actual and perceived importance of the brand to a large consumer market segment. This gauges the personal appropriateness of a brand to consumers and is strongly tied to household penetration (the percentage of households that purchase the brand).

3. Esteem - Esteem is the perceived quality and consumer perceptions about the growing or declining popularity of a brand. Does the brand keep its promises? The consumer's response to a marketer's brand-building activity is driven by his perception of two factors: quality and popularity, both of which vary by country and culture.

4. Knowledge – Knowledge is the extent of the consumer's awareness of the brand and understanding of its identity. The awareness levels about the brand and what it stands for shows the intimacy that

consumers share with the brand. True knowledge of the brand comes through brand-building. Differentiation and Relevance taken together say a lot about its growth potential ("**Brand Vitality**"), while Esteem and Knowledge determine the current power of a brand ("**Brand Stature**").

2.21 Cost Leadership, Differentiation, Focus

The **Competitive Advantage model of Porter** learns that competitive strategy is about taking offensive or defensive action to create a defensible position in an industry, in order to cope successfully with competitive forces and generate a superior return on investment. According to Michael Porter, the basis of above-average performance within an industry is **sustainable competitive advantage**. There are 2 basic types of CA:

- Cost leadership (low cost), and
- Differentiation.

Both can be more broadly approached or narrow, which results in the third viable **competitive strategy**: focus.

Approach 1 to Competitive advantage: Cost leadership.

- A firm sets out to become the low cost producer in its industry.
- Note: a cost leader must achieve parity or at least proximity in the bases of differentiation, even though it relies on cost leadership for its CA.
- Note: if more than one company aim for cost leadership, usually this is disastrous.
- Often achieved by economies of scale

Approach 2 to Competitive advantage: Differentiation.

- A firm seeks to be unique in its industry along some dimensions that are widely valued by buyers.
- Note: a differentiator cannot ignore its cost position. In all areas that do not affect its differentiation it should try to decrease cost; in the differentiation area the costs should at least be lower than the price premium it receives from the buyers.

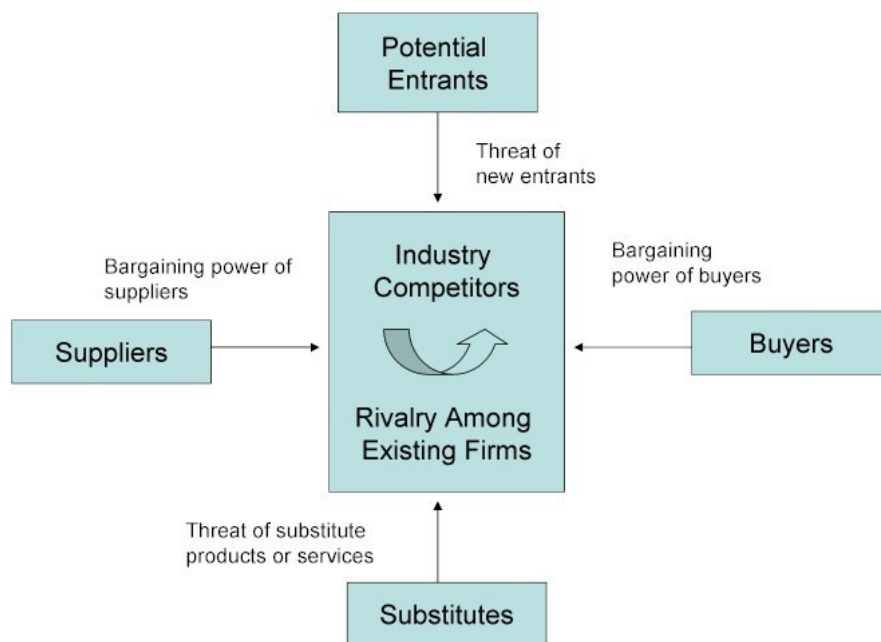
- Areas of differentiation can be: product, distribution, sales, marketing, service, image, etc.

Approach 3 to Competitive advantage: Focus.

- A firm sets out to be best in a segment or group of segments.
- 2 variants: cost focus and differentiation focus.
- Usually a recipe for below-average profitability compared to the industry
- Still attractive profits are possible if and as long as the industry as a whole is very attractive
- Manifestation of lack of choice
- Especially risky for focusers that have been successful and then to loose their focus. They must seek for other niches rather than compromise their focus strategy. ²²

2.22 Five Competitive Forces Framework

The Five Forces model of Porter is an outside-in business unit strategy tool that is used to make an analysis of the attractiveness (value...) of an industry structure. The Competitive Forces analysis is made by the identification of 5 fundamental competitive forces:



- the *entry of competitors* (how easy or difficult is it for new entrants to start to compete, which barriers do exist)
- the *threat of substitutes* (how easy can our product or service be substituted, especially cheaper)
- the *bargaining power of buyers* (how strong is the position of buyers, can they work together to order large volumes)
- the *bargaining power of suppliers* (how strong is the position of sellers, are there many or only few potential suppliers, is there a monopoly)
- the *rivalry among the existing players* (is there a strong competition between the existing players, is one player very dominant or all all equal in strength/size)
- as a *sixth* factor could be added: *Stakeholders*

Porter's competitive forces model is probably one of the most often used business strategy tools and has proven its usefulness on numerous occasions. **Porter's** model is particularly strong in thinking outside-in. Care should therefore be taken not to underestimate or underemphasize the importance of the (existing) strengths of the organization (inside-out) when applying this **five competitive forces framework of Porter**.

From a Value Based Management point of view, the Five Forces model (Market/Industry Attractiveness) of Porter can be seen as one of two dimensions in maximizing corporate value creation. The other value creation dimension is how well a company performs relatively towards it's competitors (Relative Competitive Position), for which two other Porter-models are frequently used: the Value Chain framework and Porter's Competitive Advantage.²³

2.23 Marketing Mix 4P's model 7P's

The Marketing Mix model (also known as the 4 P's) can be used by marketers as a tool to assist in implementing the M. strategy. M. managers use this method to attempt to generate the optimal response in the target market by blending 4 (or 5, or 7) variables in an optimal way. It is important to understand that the MM principles are controllable variables. The MM can be adjusted on a frequent basis to meet the changing needs of the target group and the other dynamics of the M. environment.

- Product
- Price

- Promotion
- Placement
- People
- Process
- Physical evidence

The function of the MM is to help develop a package (mix) that will not only satisfy the needs of the customers within the target markets, but simultaneously to maximize the performance of the organization. There have been many attempts to increase the number of P's from 4 to 5P's in the MM model. The most frequently mentioned are People or Personnel. Booms and Bitner have suggested a 7-Ps approach for services-oriented companies.²⁴

2.24 McKinsey 7-S framework

The 7-S framework of McKinsey is a Value Based Management (VBM) model that describes how one can *holistically and effectively organize a company*. Together these factors determine the way in which a corporation operates.

Shared Value

The interconnecting center of McKinsey's model is: Shared Values. What does the organization stand for and what it believes in.

Strategy

Plans for the allocation of firms scarce resources, over time to reach identified goals. Environment, competition, customers.

Structure

The way the organization's units relate to each other: centralized, functional divisions (top-down); decentralized (the trend in larger organizations); matrix, network, holding, etc.

System

The procedures, processes and routines that characterize how important work is to be done: financial systems; hiring, promotion and performance appraisal systems; information systems.

Staff

Numbers and types of personnel within the organization.

Style

Cultural style of the organization and how key managers behave in achieving the organization's goals. Management Styles.

Skill

Distinctive capabilities of personnel or of the organization as a whole. Core Competences.²⁵

2.25 PEST Analysis

The PEST Analysis is a framework that strategy consultants use to scan the external macro-environment in which a firm operates. PEST is an acronym for the following factors:

- **Political factors**
- **Economic factors**
- **Social factors, and**
- **Technological factors.**

PEST factors play an important role in the value creation opportunities of a strategy. However they are usually beyond the control of the corporation and must normally be considered as either threats or opportunities. Remember macro-economical factors can differ per continent, country or even region, so normally a PEST analysis should be performed per country.

The following Table highlights few of the factors belonging to each category.

Political (incl. Legal)	Economic	Social	Technological
Environmental regulations and protection	Economic growth	Income distribution	Government research spending
Tax policies	Interest rates & monetary policies	Demographics, Population growth rates, Age distribution	Industry focus on technological effort
International trade regulations and restrictions	Government spending	Labor / social mobility	New inventions and development
Contract enforcement law Consumer protection	Unemployment policy	Lifestyle changes	Rate of technology transfer
Employment laws	Taxation	Work/career and leisure attitudes Entrepreneurial spirit	Life cycle and speed of technological obsolescence
Government organization / attitude	Exchange rates	Education	Energy use and costs
Competition regulation	Inflation rates	Fashion, hypes	(Changes in) Information Technology
Political Stability	Stage of the business cycle	Health consciousness & welfare, feelings on safety	(Changes in) Internet
Safety regulations	Consumer confidence	Living conditions	(Changes in) Mobile Technology

Completing a PEST analysis is relatively simple, and can be done via workshops using brainstorming techniques. Usage of PEST analysis can vary from business and strategic planning, marketing planning, business and product development to research reports.

Sometimes extended forms of PEST analysis are used, such as **SLEPT** (plus Legal) or the **STEEPLE analysis**: Social/demographic, Technological, Economic, Environmental (natural), Political, Legal and Ethical factors. Also Geographical factors may be relevant. ²⁶

2.26 Analyzing Industry Maturity Stages

Product Life Cycle

The Product Life Cycle model can help analyzing Product and Industry Maturity Stages.

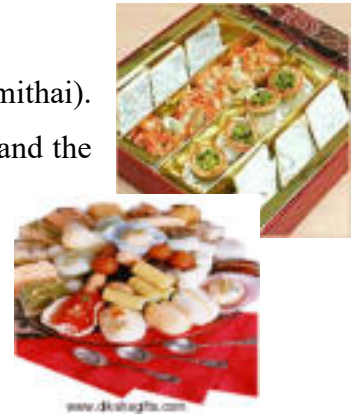
Any Business is constantly seeking ways to grow future cash flows by maximizing revenue from the sale of products and services. Cash Flow allows a company to maintain viability, invest in new product development and improve its workforce; all in an effort to acquire additional market share and become a leader in its respective industry. A consistent and sustainable cash flow (revenue) stream from product sales is key to any long-term investment, and the best way to attain a stable revenue stream is a Cash Cow product, leading products that command a large market share in mature markets. Also, product life cycles are becoming shorter and shorter and many products in mature industries are revitalized by product differentiation and market segmentation. Organizations increasingly reassess product life cycle costs and revenues as the time available to sell a product and recover the investment in it shrink. Even as product life cycles shrink, the operating life of many products is lengthening. For example, the operating life of some durable goods, such as automobiles and appliances, has increased substantially. This leads the companies that produce these products to take their market life and service life into account when planning. Increasingly, companies are attempting to optimize life cycle revenue and profits through the consideration of product warranties, spare parts, and the ability to upgrade existing products. It's clear the concept of life cycle stages has a significant impact upon business strategy and performance. The Product Life Cycle method identifies the distinct stages affecting sales of a product, from the product's inception until its retirement. In the **Introduction stage**, the product is introduced to the market through a focused and intense marketing effort designed to establish a clear identity and promote maximum awareness. Many trial or impulse purchases will occur at this stage. Next, consumer interest

will bring about the **Growth stage**, distinguished by increasing sales and the emergence of competitors. The Growth stage is also characterized by sustaining marketing activities on the vendor's side, with customers engaged in repeat purchase behavior patterns. Arrival of the product's **Maturity stage** is evident when competitors begin to leave the market, sales velocity is dramatically reduced, and sales volume reaches a steady state. At this point in time, mostly loyal customers purchase the product. Continuous decline in sales signals entry into the **Decline stage**. The lingering effects of competition, unfavorable economic conditions, new fashion trends, etc, often explain the decline in sales. Several variations of the industry life cycle model have been developed to address the development of the product, market, and/ or industry. Although the models are similar, they differ as to the number and names of the stages.

CHAPTER 3: MITHAI & SWEET INDUSTRY

3.1 Mithai & Sweet Industry

Start your journey in the lip smacking world of the sweets (mithai). Pedha , burfi , gulab jaman, rasgullay, chum chum, rasmaliee ... and the other innumerable such words that produce that hunger in your stomach and saliva in your mouth are now popular not just in the Asian countries but all over the world. This has opened new portals to enter the market get the maximum out of it.



The sweetmeat industry of subcontinent is as old as the subcontinent itself. It has flourished with time and all its life; it has added sweetness to the lives of people. None of the occasion or event is considered complete without relishing into the delights of Mithai. In the beginning, however, because of lack of research, the shelf life of Mithai was very short. And it was consumed soon after its production to enjoy its delicious taste. The taste buds of people are so familiar with the tastes of Mithai that they have not abandoned it even after diversity of options available to them²⁷.

3.2 Food Industry Pakistan

Pakistan may well be the food capital of the world. Throughout the country, food is taken more seriously than any five-star fare. The best cuisine of the country is cooked in its small, street side kitchens, which offer any thing from almond flavored milk shakes to freshly spiced and barbecued fish or chicken²⁸.

Food in Pakistan is a feast for the senses and offers anything from a light snack to a full meal, at any time from early morning to well past midnight. Every region has its own special cuisine, which makes eating out an endless adventure.

A memory from everyone's childhood is that of good times with the *chaatwala*, doing the rounds with his *rehri* or handcart. *Chaat* is a snack that can be a melange of potatoes, boiled and diced, mixed with boiled *channa* or chickpeas and served with a mouth-watering mix of spices and *imli ki chutney*, or tamarind sauce /chutney. It may include *dahi bhallas*- fried lentil patties topped with cooling yoghurt, powdered spices and the sharp flavors of its own chutney. Karachi now offers "mixed *Chaat*", with a little bit of everything from potatoes and *dahi bhallas* to *papri*, a crispy fried topping. Chaat vendors also offer the exciting *gol gappas* - these are hollow and balloon shaped, fashioned from a batter and fried. They are dipped into seasoned tamarind water and the trick is to swallow the *gol gappa* whole and enjoy the fireworks. Apart from the ubiquitous *chaatwalla*, food does tend to change a little as one moves from the coastal city of Karachi in the province of Sind, towards the historic Lahore in the Punjab and further up the fabled frontier city of Peshawar in the North West Frontier Province, the home of the Qissa Khawani bazaar or te bazaar of the story tellers.

Karachi is a bustling city, the first capital of the country, and now the capital of Sindh. It is the country's center of commerce and industry and also home to a large number of migrants who choose to make their home in Pakistan at the time of the partition of the sub-continent. Perhaps that is what makes it the most cosmopolitan of all cities in Pakistan, in terms of its lifestyles. It is in Karachi that you can get a whiff of kebabs made in the Bihari style in one locality while another offers Bombay *Bhelpuri*. The food lovers paradise in Karachi is an area known as Burns Road. A host of vehicles and people on foot crowd its *gallis* or side roads every night. This is food that is not only enjoyed on the street but is ordered up in large quantities and carted home for festive occasions. Burns Road is famous, among other things for its *mithai* or sweetmeat/dessert shops. This is the place to find *kheer*, a dessert made from rice and milk, topped with slivers of pistachio or almonds and served in small throwaway earthenware dishes. The sweet shops have a delectable selection of *rasgullahs* and *barfis*, sweetmeats characteristic of the subcontinent, all made with base of *khoya*, milk boiled down to the consistency of cream cheese. Many of the sweetmeats are dipped into *sheera* or sugar syrup, and some are topped with *varak*, a silvery tissue made from thinly beaten sheets of pure silver.

Most people come to Burns Road for its famous *nihari*. This is a rich stew of meat, traditionally left to cook overnight over a slow fire and served at breakfast in the morning. It often provides a quick meal at night, scooped up with bites of *naan* or leavened bread, hot from the *tandoor* or clay oven. It also offers *haleem*, a dish of mixed lentils, wholegrain wheat and barley cooked with meat, and served with a garnishing of sliced ginger, fried onions, chopped green chilies and coriander leaves. Foods favorite all over the country are *seekh kebabs* [skewered and grilled mincemeat] and *tikkas*, [chicken breasts or drumsticks or small pieces of marinated goat/ lamb in yogurt and spices and grilled over charcoal]. Burns Road also has a special kebab, not easily found in other places, the Bihari kebab. These kebabs are made from highly seasoned meat, so tender that a piece of thread goes over the kebab on the skewer to prevent it from falling apart. After it is grilled, the thread is unwrapped and the kebab served with a salad of sliced onions, mint and chopped green chilies.

Other popular snacks on Burns Road, *samosas* and *jalebis*, are national favorites too and available all over the country. The *samosas* are made from flour wrappers filled with cooked mince or potatoes and the *jalebis* are a syrup-filled sweet, fried in a big *karhai* or cauldron. Karachi's own version of fast foods is the bun kebab, with a kebab in a bun, topped with tomatoes, onion and ketchup. Also the kebab rolls, where a *paratha* or a piece of fried flat bread is wrapped around the kebab. It is often served out from a Suzuki van that has been converted into a mobile kitchen, making its way through the busy streets. In the summer, roadside stalls and handcarts offer a refreshing variety of fresh fruit juices, the most popular of which are sugar cane and pomegranate juice in the season. There are also the colorful *golaganda*- balls of shaven ice, flavored with sherbets of different flavors. In the countryside of Sindh, as in Karachi, *pakor*as or fritters made from a thin chickpea batter are a favorite snack. Stuffed with green chilies, *pakor*as may even be eaten with *naan* for a quick meal. Roasted water chestnuts or *singharas* are sold by the roadside along with *bhuttas* or corn on the cob, roasted or boiled, applied with a lemon half dipped into the mix. In Sindh, the staple *roti* or flat bread, cooked on a griddle or *tava*, is made of rice as well as with wheat flour. *Khichiri* or a dish of rice and lentils cooked together and served with yoghurt is also a popular dish. An unusual snack is *beeh*,

made from lotus root, and *babri*, from dried lotus flower. *Wara*, a candy made from sugar is popular with the children. *Palla* is the legendary Indus river fish considered the greatest delicacy in Sindh and this may be grilled, fried, or cooked in a masala [spicy paste]. Thatta in lower Sindh is an ancient town, once renowned as a great seat of learning. Travelers passing through today's Thatta usually bring back some *rabri* with them. This is a special dessert, made from thick cream, skimmed of in layers from freshly boiled milk. Thatta is also known for its sherbets, the cooling *thandai* made from a paste of almonds and cardamom and the sherbet of *sandal* made from sandalwood and *motia* from the fragrant jasmine flower. Shikarpur in upper Sindh is equally renowned for its Sindhi cuisine, and specialties here are the achars or pickles, made from mangoes and mixed vegetables, and desserts including kulfi, made from milk, sugar and seasonings, and a range of other sweetmeats.

Baluchistan is the most sparsely inhabited province in Pakistan although it has the largest land area. A rugged land of mountainous terrain, it is still ruled to a large extent by Sardars or tribal chiefs. Quetta is the capital of Baluchistan and here the ethnic Baluch mingle with the tribes of Pashtoon descent, who have been joined in recent years by large numbers of Afghans, fleeing the war in their own country.

Food in Quetta reflects both Baluch and Pashtoon or Pathan influences. Quetta is famous for *sajji*, whole leg of lamb roasted over an open fire, using green papaya to tenderize the meat. A variation of this is the *khadda kebab*, where a pit is dug in the ground, a whole goat or lamb skewered in it, and a fire lit on all four sides of the pit to gently roast the meat. This is very much a meat eating culture, and another favorite dish is *rosh*, a form of roast, in which large pieces of mutton or lamb are steamed in a covered dish and eaten with *tandoori naan*. The Afghans brought their *Kabuli pulao*, a dish of meat and rice cooked with raisins. In the winters the *rehri walas* have variety of dried fruit to offer, among which the apricots, roasted peanuts, pistachios and variety of homemade sweets, which they measure out with their *tarazoos* or weighing scales, wending their way in the fading light of dusk with oil fed lanterns perched atop their carts.

3.3 Lahore- the Heart of Food Industry

Lahore is surely the food capital of the country or any other kind of food for that matter. Lahoris, or the *zinda-dillan-e-lahore* [hard to translate, but perhaps the closest you can get is the brave and large hearted of Lahore"] take their food seriously. They make sure they get the best, the freshest and the most of whatever they set their hearts on. The good food of the city is offered in its many mohallas or neighborhoods, its busy bazaars & bustling streets, especially within the old walled city. For a start there is the Anarkali bazaar, named after the woman who caught the Mughal Prince Salim's attentions. - His father, the emperor Akbar did not approve of the affair and reportedly had her buried alive. In this bazaar today, there is a maze of shops selling everything from colorful bangles to footwear and jewelry, and of course its special brand of food. This is a sort of mixed fruit salad, with cumin, salt and pepper tossed on a mix of peeled and sliced oranges, bananas, apples and other seasonal fruits, topped with some glistening red pomegranate seeds.

Lakshmi [hindu goddess of wealth] Chowk or Square is known for its *biryanis* and *pulaos* named after the Mughals who once made Lahore one of their imperial capitals. There is a choice of *Shahjahani* or *Jahangiri pulao served* with raita - a yoghurt based accompaniment. There is simpler but equally tasty fare in the nearby regal area, serving Kashmiri *dal chawal*, a simple lentil stew served with steamed rice, made to a special recipe. When winter sets in, people stop by for a bowl of Kashmiri tea, a variety of green tea that is simmered for hours until it acquires a pink color when milk is added to it. It is topped with thin flakes of pistachios and a heavy dollop of cream. The inner city of Lahore takes pride in cooking and serving *waddi*, a dish of buffalo kidneys, cooked in a fried masala. There is much more in the walled city of Lahore, a narrow maze of alleys from another age. Though decaying, beautiful houses with carved wooden balconies still peer down on mass of people, cyclist, horse drawn carts and shops where people ply their traditional trades from kitemaking to the fashioning of harnesses and ornaments that still pull the tongas [carriages] in the city streets. It is here that huge cauldrons are fired up each morning for a breakfast of *halva poori*. The poori is deep fried bread that puffs as it

floats to the top of the cauldron. It is eaten with *aloo ki bhaji* or a savory dish of diced potatoes, along with the popular *cholas* [chickpeas]. Sometimes the *kulcha*, a small naan topped with sesame seeds, replaces the *poori*. The *kulcha* may also be served with just a bowl of thick cream into which it is dipped.

Lahore is also known for its fresh water fish, usually fried in a chickpea batter. Great mounds of fried fish at roadside shops disappear at a surprising speed. More rarely, the fish is cooked on a cast -iron griddle or *tava* to make the moist and delicious *tavay ki machli*. Hundreds of visitors congregate every day at the shrine of data Ganj Baksh, the patron saint of Lahore. Around Data darbar, as the place is popularly known, a number of shops specialize in *katlamas* or fried bread stuffed with mincemeat, lentil paste, or plain masala, fare hearty enough to satisfy the Lahori appetite. A steady favorite is the dish of *chikkar cholay* [literally chick-pea-slush], but the name probably owes to the Lahori sense of humor than it does to the quality of the dish, although it is made to a mushy mushy consistency. It consists of chickpeas cooked to perfection in yogurt and a mix of spices, eaten with naan to provide a satisfying meal. One also has the choice of *murgh cholay* or chicken with chickpeas.

Characteristic of Lahore are the huge hand painted hoardings announcing the arrival of the latest Punjabi movies. The movie goer may stop at a roadside table to sample *nihari* with the parathas or fried bread, and *bong* a similar stew that is meatier and includes more bones and joints of mutton or beef. For dessert there is steaming hot *gajar ka halwa*, a sweetmeat made of carrots; or hot *gulab jamuns* , made from cooked down milk in a sugary syrup. In the Punjab villages, the sugarcane crop in winter brings *ganderis* to the roadside vendor. These are pieces of sugarcane, cut from stalk. Village folk often dispense with the preparation and simply peel off the hard skin of the stalk, biting off as large a piece as they can comfortably. Besides roasted channa or chickpeas, there are sweet batashas and rewaries. Gur or molasses is often mixed with fennel and nuts for a snack.

CHAPTER 4: BRANDING IN PAKISTAN

4.1 Overview

Brand equity is one of the more popular concepts in marketing today. It is also one of the most overused and misused terms in marketing research, and the subject of much fuzzy thinking. In fact, there are several definitions of brand equity, all of which stem from the concept of 'brand'.

The role of branding in the country's expanding economy has urged the advertisers to be more creative in promoting Pakistan's strength. The Prime Minister said, *"What we see in Pakistan today is the increasing role of branding and advertising as the country's economy grows and expands."* the total size of branding and advertising business grew by nearly 40 % from Rs.10 billion last year to Rs 15 billion and was expected to touch Rs 20 billion by next year. Trends of rising growth in sectors like automobile were helping the advertising business to grow in Pakistan. But at the same time, he said, branding and advertising was instrumental in creating demand and, consequently, accelerating economic activities. *"You (advertising and branding) are promoting industry and trade and helping in creating more job opportunities"*, he said and added that many new businesses were thriving on advertising and establishing brands.²⁹

Appreciating the growth of advertising business in Pakistan, the Prime Minister urged them to be more creative in technique and approach with professionalism and quality as the key factors. The Prime Minister also called for projecting the country's true soft image that has been miss-perceived, saying branding has an important role to play in image-building. *"We need to promote what our strength are,"* he said and called for projecting Pakistan as a country where people were warm and friendly and the natural beauty in abundance. The growing economy has improved the country's stature and investors were now looking at Pakistan as an ideal destination for investment. Referring

to the growing business activities in the country, recently foundation stones of five factories within the radius of five miles in Chakwal district that involve investment of Rs30 billion are laid down. *“This is the kind of thing happening in Pakistan,”* added the prime minister. The flow of foreign investors was helping in promoting more soft and true image of the country as those who visited Pakistan realized that the negative image portrayed about the country was contrary to the fact. The Prime Minister also asked the brand managers and the advertising agencies to focus on event-management that has been growing as a new trend in the world of advertising.

While it may be difficult to provide an exact figure for the total number of advertising agencies in Pakistan, it is safe to assume that the number is large and growing. The APNS (All Pakistan Newspaper Society) annual directory lists 61 accredited agencies, with another 30 or so awaiting approval for accreditation. Then there are numerous other agencies providing related services on large and small scales. Some are small, one or two person operations, while others, although larger, are not accredited members of the APNS. A guesstimate of the total figure would place the number of advertising agencies near 200 and growing.

The advertising and branding market, according to figures provided by the survey conducted by Gallup, is worth nearly 8.1 billion rupees annually, and most importantly, the figure is growing year on year. While TV and print account for the vast majority of the total branding spend, new forms of positioning the products are emerging and gaining popularity, thus ensuring that a young industry remains in the process of constant evolution and change.

The history of branding in Pakistan can be, for the purpose of analysis, divided into three distinct phases. The first phase, post-partition on to the early 70's, marked a period of consolidation for agencies. In 1984, just after independence, there were very few advertising agencies in the country (Malani & Co. and Adarts Limited were the notable ones). Therefore in a quantitative sense, great strides have been made. Adarts had been operating in Mumbai since 1939. It is often claimed that it was the first indigenous

agency on a Subcontinent that until then had monopolized by, mainly, British agencies. These agencies set up base in the new Pakistan in the late 40's, and as advertising and branding of different products grew, the industry began to acquire a level of professionalism. Over the next couple of decades, the scene was characterized by a number of large international agencies who took up the work of the product manufacturing companies and help them in identifying the right positioning strategies for their product in the market, such as John Walter Thompson and Crawfords, working in tandem with local agencies such as Orient and Lintas, amongst others.

The scenario changed dramatically during the early 70's, the second phase, when following the nationalization of Pakistani economy, international agencies were compelled to leave because of lack of work. Most major Pakistani businesses came under the aegis of the state and local agencies were the preferred partners. This period coincided with what is commonly acknowledged as the golden period of Pakistani advertising branded products. Local agencies such as MNJ Communications, Sasa (now defunct) and Asiatic (now JWT), were responsible for putting together some of the most memorable and effectively targeted campaigns as the industry, collectively, flourished.

The arrival of multinationals in the late 80's and early 90's heralded the advent of the third phase. As the country moved towards a free market economy, Pakistan became a viable market for multinational concerns and their arrival signaled a change in the way the ad industry worked. Multinational clients began to raise their expectations of their partner agencies and simultaneously endangered a more enhanced sense of professionalism within the industry because of the awareness created that because of branding the products and marketing them effectively and repeatedly will actually make the consumers remember the brand and ultimately lead to their purchase decision. 1993 will also be seen as an important year in the development of the industry through its third phase. The arrival of McCann Erickson, as international affiliates of Orient Advertisers, and then of a number of international; affiliates such as O&M and Greys, has also affected the industry over the last decade or so, because these were expert people and they knew all the marketing and branding strategies and the local players were learning

from them as how to make the local products stand out by having their own special identity. The equity participation agreement between JWT and Asiatic completes a full circle of sorts, with the return of the international agency, albeit on a part-ownership basis thus far. This third phase of development has seen a number of key issues arise; issues that will have a major impact on the manner in which the industry grows.

4.2 Importance Of Brand Name

Due to increasing strength of competition in the market, companies have adopted advanced marketing and advertising techniques to persuade the consumers. There are many factors that play an important role in the different behaviors of consumers regarding shopping. One of those is 'Brand Name Acquisition' although there are a lot of other factors as well such as influence of family, cultural environment, role of marketing and advertising etcetera. For some the brand name or the basic information advertised about a product is a factor that influences to purchase that product. For instance, if a famous brand introduces new cosmetics, women will take time to purchase it no matter how expensive it is, if it is her favorite brand. Similarly for those who are not brand conscious, they just go for what they feel comfortable to wear or what suits their personality best. Now branding can be of two types³⁰:

- Product Branding
- Store Branding

As the name suggests, the first is branding of a particular product, which can be sold in a large number of stores such as YSL perfumes while store branding is where the stores sell products only from their own brand such as Bareeze. Ultimately only brands will survive since they offer people quality products and eventually it is quality of product that matters the most to any consumer. If we are to move from being providers of raw materials at lowest profit margins to suppliers of value-added goods with high profit margins, local brand names must be developed. Traditionally, strong brands developed locally in markets where consumer preferences can be expressed and market information is readily available. We need to develop local markets for strong brand competition, raise

local quality awareness, and undertake better selling practices so that our companies improve their products, services, man power training and become competitive internationally.

Requirements for developing brand names are

- Superior quality of products,
- Sustained maintenance and continuous improvement in quality,
- Constant innovation and development,
- Improved selling practices and return policies and last but not the least
- Uniformity of prices, inventory and selling techniques.

4.3 How can Government facilitate this sector?

Government is the key player in improving the domestic commerce sector in any country and the most immediate step of the Government should be enforcement of Intellectual Property and copyright laws. Seen as an incentive to benefit the public, these rights in particular have sometimes promoted innovation by ensuring that someone who devoted, say, ten years of penury while struggling to develop vulcanized rubber or a workable steamship, could recoup his investment of time and energy. Using monopoly power, the inventor could exact a fee from those who wanted to make copies of his invention. Without intellectual property protection, incentives to engage in certain types of creative endeavors would be weakened³¹.

Similarly, such policies should be formulated, upgraded or promoted that encourages the retailers to grow bigger by rewarding them rather than punishing them with unnecessary tax burdens, infrastructural constraints etcetera. Steps need to be taken in order to stop the smuggling and sale of foreign goods because this is the only way the Government will give room to the local industry to flourish.

4.4 Role of Advertising Agencies in Branding

Advertising agencies in Pakistan had an important role in the creation of the branding concept in Pakistan because if the consumers didn't know a thing about the product...or they can't actually build an image of a product who has no name or an identity. It were the agencies along the companies who gave the products an identity of their own with which consumers can associate themselves³².

Affiliated advertising agencies in Pakistan first made their presence felt in the 1950's, when agencies such as Crawford's and J. Walter Thompson opened in West and East Pakistan (now Bangladesh). These agencies continued to conduct business and even pitch for government clients throughout the 50's and 60's. After the nationalization of the 70's, all multinational agencies pulled out due to lack of big business. However, the professionals they left behind went on to create the big names of the present day Pakistani advertising industry, including J.W.T-Asiatic, Fourays, Interflow and Lowe & Rauf (formerly known as R-Lintas).

International affiliations made their come back to Pakistani advertising in the early 90's after the government re-oriented the country's economic policy towards a program of sustained privatization. McCann Erickson became the first agency to come in, with an affiliation with Orient Advertisers in 1993. This was followed by a host of other affiliations. O&M tied with Interflow Communications whereas JWT went back to its former local partner, Asiatic Advertisers. By the end of the decade, most major advertising agencies in Pakistan had some foreign principal to boast of.

Earlier, advertising affiliations simply meant that the agency could rely on its foreign principal for its knowledge base. The affiliations were non-binding, and clients could work with any agency they appointed, regardless of the affiliation. This changed in 1995, when multinational clients started aligning their business with the local affiliates of their international agencies. This led to the easy acquisition of multinational accounts by the affiliated counterparts in Pakistan. In 2000, the affiliation cycle took another step forward

in the shape of equity participation. JWT took over a majority stake in Asiatic Advertisers and so, ownership of the agency. There are rumors that other international agencies are now looking to increase their equity participation with their local affiliates. Affiliations have also had their fair share of controversies. Critics of the affiliation system point to the fact that the international partners failed in their homework, and only chose the biggest fish in the market. Another criticism is ‘copycat’ advertising, whereby local affiliates took concepts from their principals, simply adding a bit of local flavor to the advertising. There have also been instances of clients being unhappy with their affiliated agencies. The established method to deal with this situation seems to be to outsource as much work as possible to third parties such as public relations, media buying and event management, while sticking to the affiliated agency for mainstream advertising. There have also been instances when the multinational client has actually sacked the affiliate agency, choosing to work with a local, non-affiliated agency.

More than anything else, the greatest change in the industry over the last 10 years has been the specialization of services, once offered by a single agency under one proverbial roof. This fragmentation has taken on two distinct strands. One has seen previously traditional agencies expand their range of services to cater to the changing needs of their clients. Agencies that had previously produced only adverts have now set up separate cells within their own structure offering a host of specialist services, such as PR, event management and direct marketing services. Specialization has also brought with it the realization of multiple revenue streams for agencies.

The other strand is the most visible in the form of new, independent agencies that specialize in offering a range of marketing-related services. Today, there are event management companies, PR firms, design houses, outdoor advertising agencies and media buying houses to cater to the specific needs of the clients. Several factors are behind these trends. One was the arrival of multinational clients in the late 80’s, bringing with them a new more professional attitude to work and demanded that their agencies adhere to the same standards.

4.5 Pakistan's Top Five Advertising Agencies-2004

Top 5 Agencies

Rank	Name	Affiliate of	Annual Billings USD (2002)
1.	Interflow Communications	O&M	15 Million
2.	JWT Asiatic	JWT	11.3 Million
3.	Orient McCann Erickson	McCann-Erickson	10.8 Million
4.	R-Lintas (Pvt.) Ltd.	Lowe Worldwide	10 Million
5.	Spectrum Communications	DY&R	6.8 Million

Source: <http://www.bgsu.edu/departments/tcom/faculty/ha/pakistan.htm>

CHAPTER 5: RESEARCH METHODOLOGY

The research is not a cover story of some magazine on the situation, but the main focus of the report is to uncover the importance and steps that lead to the development of an efficient and effective brand in the market. One of the main objectives was to put forward the minutest of all the details so that tomorrow when we enter the practical business world; we can identify all the diversified factors which constitute the branding phenomenon used in positioning and promoting the products and services.

For the purpose identifying and analyzing the branding aspect of the product chosen that is the famous Nirala Sweets different methodologies have been conducted throughout the research. The basic aim is to identify the important elements used in the development of the brand and along with it the steps and the process of development and in the end presenting the analysis and recommending any solutions for the shortcomings if any. The research methodology includes the following:

5.1 Research Design:

The research is designed in a specific format dividing the whole contents in chapters. The *first chapter* is the introduction which identifies what the topic is and what are the scope and objectives to carry out such a research. The chapter also introduces the company under consideration which is in this case Nirala Sweets. The *second chapter* is then descriptive and is of the literature review in which the terms and concepts involved in developing a brand are discussed and defined in detail. This information is collected with the help of different books and while surfing through the internet. The main websites visited and the books used are mentioned in the bibliography. Then is the third chapter which gives an overview of the mithai industry in Pakistan which would make the scenario more clear and presents an overall condition of the Pakistani mithai market is presented to learn and know about the changing trends. Then comes the *fourth chapter* that is the introduction of the Pakistan's branding and advertising industry. As the

research is about the techniques in branding of Nirala Sweets Pakistan so the conditions that prevail in the Pakistani branding and advertising industry need to be mentioned. The information collected for this purpose is via the internet and a discussion undertaken with an individual from the advertising world

- Ms. Saira Uppal currently Senior Visualizer, Blitz DDB Lahore, previously working with Lowe & Rauf (R-Lintus) Lahore as a Visualizer.

The *fifth chapter* presents the research methodology which identifies the research methods and the techniques and the type of data used in the thesis. It also highlights the design and all the methods for collecting data and procedures used to conduct the research. Before moving on to the sixth chapter a short case study of Nirala Sweets is developed which gives a snapshot of growth and branding of Nirala since its inception. Then sixth chapter is the findings and analysis of the research in which the actual practices which Nirala has made with respect to branding are analyzed. In the *seventh chapter* the conclusion about the whole scenario is presented following with the *eighth chapter* some suggestions for improvements or recommendations are presented. In the end the bibliography gives all the references.

5.2 Type of study:

As the study is about the stages and the factors necessary in the development of a brand in giving a cutting edge to organizations so it's a descriptive study¹. At the same time it is about exploring and presenting the facts and figures so it is an exploratory and a quantitative research as well. Quite frequently the quantitative studies are undertaken in organizations in order to present the facts and figures giving an actual picture of the situation. The role of a descriptive study is to offer a profile or to describe relevant aspects of the phenomenon of interest to the researcher from an individual, organizational, industry oriented or other perspective.³³

- Descriptive studies that present data in meaningful form thus help to:
- Think systematically about aspects in a given situation

¹ A type of research methodology which describes all the phenomenon's of the topic under consideration

- Offer ideas for further probe and research
- Help make certain simple decisions

5.3 Research instruments:

As the research is descriptive and quantitative the instruments basically used as mentioned previously are the internet, books, magazines, articles, newspapers and interview with different personals. The discussion carried out with the branding personal mainly described the branding and advertising industry of Pakistan and the cost estimates (a rough idea). Also an interview is carried with an executive of Nirala sweets to get the insight on the operations of the company. These individuals were

- Mr. Saad Zahoor Khan currently the GM Marketing at Nirala Sweets, Lahore
- And Area Sales Manager, Rawalpindi Islamabad.

5.4 Time Frame:

The time frame for this research study was approximately five months and divided into

- Research design
- Data collection
- Data analysis
- Conclusion and recommendations



NIRALA-THE CASE STUDY

Nirala Sweets

“The Brand Striving Out Competition”

It was a cold December evening; Faisal Farooq flipped the wedding invitation cards in his hand, watching intently. Now and then he would stop at a card that caught his attention, but only for a while, and then he would move on, changing invites till he came back to the one he had started from.... Every time he saw an invite he would think about having the celebration and sharing the moments of happiness with mithai. He knew that people all over are engaged in this behavior, and he realized quiet well that this was his real challenge.

Faisal was amazed by the huge number of mithai providers that had cropped up in the recent times. The amount of choice was maddening and the knowledge that one could enter a new world. For Faisal, it was more of a curse as it offered intense competition. Faisal Farooq was Chief Executive Officer of Nirala Sweets. As CEO of Nirala Sweets, he had a challenging task ahead of him. He had to make sure that despite the mushroom growth of other mithai providers, both new and already established; he had to engage in intense brand activation to establish and maintain Nirala as a leading name in the industry.

This case was prepared by the MBA student under the supervision of Ms. Ayesha Pervaiz. This case is not intended to serve as an endorsement or as a source of primary data.

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Ever since his grand father had started the business; Nirala has come a long way. Apart from being the biggest in his respective market, Nirala is today a whole group of Companies who has diversified into different markets. He fully well realized that the industry could flourish only if it kept the people attracted by providing quality and taste along with uniqueness with so much being offered. What Nirala needed was to make sure that it caught people's attention...and held on, otherwise it too would be gone just like many others in the industry.

It was with these thoughts in mind the next day that he called for a meeting to discuss how Nirala Sweets should further be established and maintained as a strongly identifiable brand in the market not just nationally but also internationally.

Nirala at a 'Glance'

Nirala Sweets now known as the Nirala Group of Companies started as a Halwa purri (Breakfast) shop by Taj din from a capital base of Rs.200 with the human resource of only 2 individuals in 1948 later adding 'Mithai' in the product range in the early 1970s. The business pretty much remained stagnant till the 1990s but gained momentum after the opening of first national outlet outside Lahore in 1999 (see Exhibit 1 at the end of the case). Today however it's a different story altogether. It makes dairy products in addition to sweets, and successfully runs a restaurant employing more than 650 people. It has 35 branches in Pakistan and currently exports to Sharjah, Dubai, Canada, Europe and USA. It has in-house design and software concerns rendering services to various other companies and stands tall in an environment where no industry standards are available².

Where Nirala stand today, the creator Taj Din might not even have visualized. Today they stand distinguished and eminent. As the Faisal Farooq, current CEO of Nirala and grandson of Taj Din reminisce

² Nirala Sweets, www.nirala.com

“My grand father initiated the project on a small scale in 1948 after partition. It was basically a puri-halwa shop opened near meva mandi of Lahore but he selected the finest chefs to prepare the products”

The Nation, November 14, 2005

Taj Din Started this business in Meva Mundi Lahore, which was a very busy trade area and people used to come from far off different places and used to consume food. Mr. Taj Din had an entrepreneurial spirit and saw an opportunity to provide food to the travelers He later added the methais to his business. He and his son, Farooq Ahmad then wanted to chose a name for his business and he came up with ‘Nirala’ that stands for 'exceptional', 'distinctive', 'only one of its kind' and Nirala stands true to its name. The business was profitable even at that time too because it was a very busy area of Lahore and people loved to take some time off and relax and eat the tasty food. The business was growing and later an exceptionally unique outlet was opened on Fleming Road Lahore.

In 1985, Nirala received the World Star Packaging Award from Packages. Nirala's delights were served in the Islamic Summit Conference in 1974 and also were the favorites of the King of Jordan. In 1982, the outlet was moved from Fleming Road to Jail Road. This made Nirala more accessible to the rather modern areas of Lahore and gave its name a further boost. In 1987-88, Mr. Farooq Ahmed fell sick. His brothers then ran the business for a few years until Mr. Farooq's son (Faisal Farooq) decided to join the business in 1996. When Faisal Farooq joined the business, he took the business to higher grounds by deciding not to restrict their potential to a single city. In January 1999, the branch in Islamabad was opened and was an instant success. The following years saw the rapid growth of Nirala. Nirala's delights were also served in state dinners during the visit of Queen Elizabeth and Former First Lady of The United States, Mrs. Hillary Clinton. Nirala's sweets are served in state dinners to date. More branches were opened in Faislabad, Karachi, Sialkot, Gujranwala and Peshawar. Year 2001 saw Nirala move to a whole new level when its first international branch was opened in Dubai.

Although the business is now operating on a whole new level since its humble beginnings more than half a century ago, the tradition of taste and quality is still prevalent. Most of the products are still as original as they were two generations ago. Nirala only changes for the better. (See Exhibit 2 for the Nirala's product range)

Overview of the Industry:

When we talk about the industry of mithai and sweet it stretches long back to the Indian sub continent. It has always remained a tradition of sharing happiness with mithai and through the ages the industry is flourishing. Many branded and non branded players and products came and left the market. Today Nirala is the biggest brand name in Mithai in the Pakistani market. Besides the local market, the presence of the brand is also being felt in international markets as well. The brand has the highest market share and a very loyal customer base which are two things not being enjoyed by any competitor in the local market. Although there is no competitor who even falls close to where Nirala is today, still there are a few which have been selected for analysis purpose.

There are so many Mithai makers in the market, some big some small but none has established itself as Nirala has. We can't say that rivalry isn't there as when ever there are fish in the pond, no matter what their size, there is always a threat as to who would dominate or in this case damage whom. Since there is no one else as big as Nirala, he is envied by the other players and some even try to damage his reputation. This is evident from the example that some time ago some unknown competitor tried to damage Nirala by obtaining Nirala's sweet boxes and filling substandard Mithai in it. However, Nirala was quick to discover what was happening and tightened his control over distribution.

One or two competitors each have been selected from Islamabad/Rawalpindi, Lahore and Karachi. These competitors have all been selected as being the second best in their respective cities with sales as the indicating factor of their success. Given below is a city wise brief introduction of each competitor.

Rawalpindi/Islamabad

From the market of Rawalpindi and Islamabad, the two competitors which have been selected for analysis are Jamil Sweets and Fresco Sweets. *Jamil Sweets* has a rich history in Rawalpindi as it is a very old shop there which has undoubtedly grown over time. His branches are now also present in Islamabad besides in Pindi. His differentiating factor is his taste as some of his specialties like gulab jaman, kulfa etc are very popular. The price range of his sweets is 160 Rs./kg. This is a relatively higher price range than others but still lower than Nirala. Some of the customers (especially the ones who go for the specialties of the shop) are brand loyal to this brand. Jamil in his own way has also become a status symbol second to Nirala. However his weak point is that his branches are only limited to the twin cities and hence cannot compete with Nirala. Just as Jamil is preferred in Pindi, *Fresco Sweets* is preferred in Islamabad. Customers are attracted to his shop due to the neat and clean atmosphere etc. His price range is 150 Rs./kg.

Lahore

Lahore is the home city of Nirala sweets and his presence can most strongly be felt there as compared to any other city. Competition is also intense here as no other city of Pakistan has as much variety and as good quality of food, meetha etc as there is in Lahore. Two major competitors of Nirala in Lahore are Gourmet and Fazal Sweets. *Gourmet* is very popular in Lahore as he has become a brand name there. This is due to his strong distribution and retail network in Lahore. One can find gourmet shops wherever they go in Lahore. This creates ease of use as well as many people might just make a purchase because the outlet is in their way while going some where etc and they do not have to go out of the way especially. Its price range is also very reasonable which is 140 Rs./kg which attracts more customers as they get a good price along with quality. There are a total number of 32 branches of gourmet. It is also present in Karachi and Islamabad which makes it the next largest outlet in the country after Nirala i.e. distribution wise. *Fazal Sweets* is also very popular in Lahore after gourmet. It is preferred due to its taste and also due to the fact that it is a very old brand in Lahore and so enjoys a good level of loyalty. It has a total number of 7 branches in Lahore and his price range is 130 Rs./kg. Its presence is most strong in old Lahore or the inner cities of

Lahore so he does not satisfy that ego need some people need to satisfy especially when mithai is to be presented to some one else.

Karachi

In Karachi, *Qasr-e-Sheeren* is the next preferred mithai shop to Nirala. It enjoys a loyal customer base there. Its price range is 150 Rs./kg. People in Karachi prefer its specialties and there are also more shops of the brand present there. It also has shops in Lahore.

Growth Since Inception:

Nirala sweets have been indulged into phenomenal growth strategies since its early inception. Starting from Lahore it realized the need to expand to other cities of the country. Later the first step towards Nirala's vision of becoming "a global brand, recognizable for uniqueness worldwide" was taken in 2001. In 2001, Nirala opened its first international outlet in Dubai. 2003 was a major breakthrough for Nirala and perhaps the busiest year in the entire life of Nirala. Year 2003 saw the opening of 7 new branches with 3 new branches in Karachi in a day. In the coming years the business kept on expanding³. All these years, Nirala didn't limit itself to only sweetmeat industry and it diversified into the related industries. In 2004, Nirala also ventured into opening 'Café Gowalmandi'. The purpose of this Café is to introduced breakfast/brunch for the Lahoreites, thus going back in time where all this started from. This time Nirala was able to combine traditional desi temptations with the contemporary ambience and emphasis on hygienically prepared food.

In 2004, Nirala also introduced in market 'Snipz or 'poppat,' 'namkeen daals', they were initially available in the Nirala shops in loose form and Nirala launched it in packaged form backed by advertising. This was a fairly new concept as these desi snacks are available in the market in loose form and before Nirala; it was the only **means of getting** it. In June 2005, Nirala launched its UHT Milk in the peshawar and lahore regions. According to Faisal Farooq,

³ Tele Life

http://www.godubai.com/TELELIFE/archives/article.asp?section=Daawat&adate=11/1/2001&m_id=1487

“The need of establishing the Dairy was crucial as most of our products are made from dairy based raw material. It plays a strategic role in the development of Nirala as a recognized brand. Raw or ‘loose milk’ as you may call it controls the market. 96% of people in Pakistan consume this type of milk only 4 to 5% milk that is supplied to the cities is UHT Processed. Therefore, the demand for the hygienically processed milk is immense.”

Also the dairy industry is growing at the rate of 300% that has created a huge gap between demand and supply of milk thus creating an untapped market to be served.

The Phenomenal Branding Practices:

The Nirala was conceptualized as a brand when the concept of branding didn't even exist in Pakistan. The generic names were used and almost all the commodities were considered at the same level with few differences. There was as such no apparent distinction that could be made to differentiate a product. The commodities were purchased in the loose form and were considered reliable. The shopkeepers were the first source of information followed by the personal experience that one used to gain from actually using the product. Nirala started as a No-Namer and as an ordinary shop serving breakfast to the travelers. Though the area was an important market place with a lot of potential, but they were not the only shop in the vicinity. There were other shops offering the same food items. However, today they are nowhere to be seen. They were not able to visualize that potential that lay ahead. The originators of Nirala were not only able to conceptualize it but they were also able to impart their vision to their next generations.

Today Nirala has grown in every respect. Its brand name has gained significant recognition. It is one of the very few local brands that Pakistan can boost. Nirala Sweets registered by the name of Anmol Company as a private limited organization in 1996-97. Faisal Farooq has so much belief in the name Nirala that all the markets they have diversified into, they have used the brand Nirala. They have successfully branded all their product lines with their core brand, Nirala and still it is flourishing (see Exhibit 3 for

Nirala's current structure). Because of limited financial strength of Nirala and ever increasing growth rate, they focused less on the ATL activities and focused more on BTL activities. The heritage that Nirala has inherited always worked for it and helped it getting more recognition. Also, Nirala never hesitated in communication its heritage that has won it immense appreciation. Nirala itself is an accepted name but they did print and billboard advertisement, as Dairy is a different field with immense competition. However, they have always focused more on retaining their customers through their services.

The Opportunities and Eyes on the Future...

Faisal Farooq has taken Nirala to its heights. However, there's still a lot that he wants to add to his product line. He is adding more and more number of outlets in the existing 37 outlets both nationally and internationally striving to make it a global brand. Since they have already diversified in fields other than sweets, they also want to introduce complete range of dairy products. Nirala milk has been quite successful in the Lahore and Peshawer markets after its launch. They not only want it to be launched in all parts of the country but they also want to launch the flavored milk and other packaged juices. Nirala is also planning to venture into mineral water because consumer's buying and purchasing trends are changing. All of this is planned to be launched in the year 2006.

The year 2006 will bring about a lot of changes in Nirala. It is yet to be seen if Nirala's brand name will be used with the same consistency to its complete range of product line or will they be marketed with another brand name. Though Nirala is an accepted brand and has certain credibility attached to it, would it be feasible to launch so many products one after the other or wait for the results and then launch other products. The success of new outlets to be opened in UK and Canada also poses a big question. There are many questions that remain unanswered. Faisal Farooq seems confident

“With God's will Nirala will prosper with each year, we do plan to open more shops across the world and product range expansion will also take place”

The Nation, November 14, 2005

Exhibit 1

Nirala's History

1940s

Nirala's legend began with the sub continent partition when Mr. Taj Din migrated from Amritsar, India to Lahore, Pakistan. He settled in one of the busiest areas of Lahore, The Meva Mundi, which was basically a market place where people came from large distances to sell their goods. Mr. Taj Din had an entrepreneurial spirit and saw an opportunity to provide food to the travelers. He partnered with a friend to open a breakfast shop, which grew popular in a couple of years. During the same time, his partner sold off his share to him. Mr. Taj Din aspired to be the best in the business and wanted to develop a brand name everyone would recognize. He and his son, Farooq Ahmad, wanted to choose a name that was unique and thus Nirala was formed. The word Nirala stands for 'exceptional', 'distinctive', 'only one of its kind' and Nirala stands true to its name.

1950s

In 1952-53, Mr. Taj Din started selling methai as a complimentary line. He hired the best methai makers in the market. He also traveled to Karachi to hire methai makers that made methai fairly new to the people of Lahore. It was the first time cheese based methai was introduced in this region. The shop was then moved from Meva Mundi to Fleming Road. This was when Nirala got more recognition. In 1965, Nirala became the Official Methai Supplier for the Governor House.

1960s

1967-68 Mr. Farooq Ahmed joined the business when his father fell ill. During the decades following his joining the business, Mr. Farooq Ahmed was very instrumental in building up the business. He was more service oriented and wanted to change the concept of selling methai.

1970s

In 1970, Mr. Farooq Ahmed visited Japan and bought showcases for his shop. This was the first time when the concept of sales persons was introduced. Nirala moved a step ahead in 1971-72, when Mr. Farooq Ahmed decided that the conventional methods of packaging methai were too uninspiring. He contacted Packages, so they could help him create his ideas into reality.

1980s

In 1985, Nirala received the World Star Packaging Award from Packages. Nirala's delights were served in the Islamic Summit Conference in 1974 and also were the favorites of the King of Jordan. In 1982, the outlet was moved from Fleming Road to Jail Road. This made Nirala more accessible to the rather modern areas of Lahore and gave its name a further boost. In 1987-88, Mr. Farooq Ahmed fell sick. His brothers then ran the business for a few years until Mr. Farooq's son (Faisal Farooq) decided to join the business in 1996.

1990s

During the first few years the business was expanded in the city. Therefore from year 1991 to 1994, Nirala spread in the major areas of Lahore by opening branches in Moon Market Allama Iqbal Town, Hafeez Center Gulberg and Sadiq Plaza Shahrah-e-Quaid-e-Azam, respectively. When Faisal Farooq joined the business, he took the business to higher grounds by deciding not to restrict their potential to a single city. In January 1999, the branch in Islamabad was opened and was an instant success. The following years saw the rapid growth of Nirala. Nirala's delights were also served in state dinners during the visit of Queen Elizabeth and Former First Lady of The United States, Mrs. Hillary Clinton. Nirala's sweets are served in state dinners to date.

2000s

Branches in Faisalabad and Karachi were opened in March and August 2000, respectively. Year 2001 saw Nirala move to a whole new level when its first international branch was opened in Dubai. Later that year another branch was opened in Defence, Township, Lahore and one in Rawalpindi in early 2002. Nirala also launched an outlet in Al-Fatah, one of Lahore's most popular shopping Centers. Early months of the year 2003 brought about worthwhile growth for Nirala, when 7 new outlets were added into its list. 3 more shops were opened in a day in Karachi. In Lahore, Lakshmi and Gulshan-e-Ravi were added to the list of shops in February along with one shop at Shell Fuel Station busiest outlet in Thokar Niaz Baig and another at Allama Iqbal International Airport in March. As the year progresses further, it is planned to add more shops in the cities of Sialkot, Gujranwala and Peshawar

Source: www.nirala.com

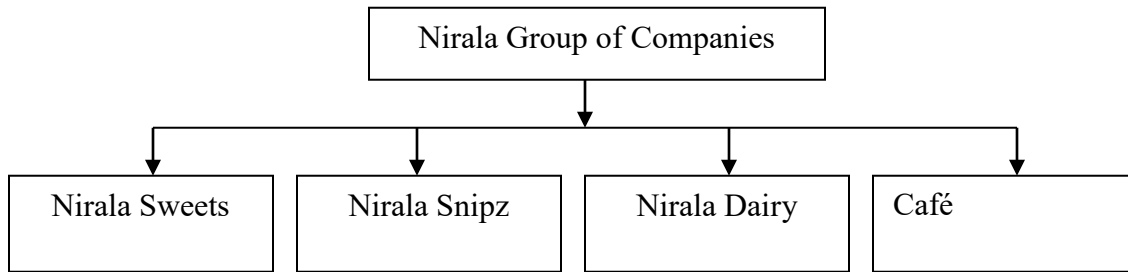
Exhibit 2

Nirala's Current Product Range

- Sweets
- Regular sweets, Special variety, Sugar free sweets
- Nirala Methi Mastian
- Kulfi, kheer, firni, rusmalai,
- Nirala Namkeen
- Nirala Snacks
- Nirala Dairy
- Nirala Breakfast

Exhibit 3

Nirala's Current Structure



CHAPTER 6: FINDINGS & ANALYSIS

6.1 Porter's Five Forces Model of Nirala Sweets

Porter's five forces model is significant in the sense that it is used to examine the competitive environment that prevails in the industry.

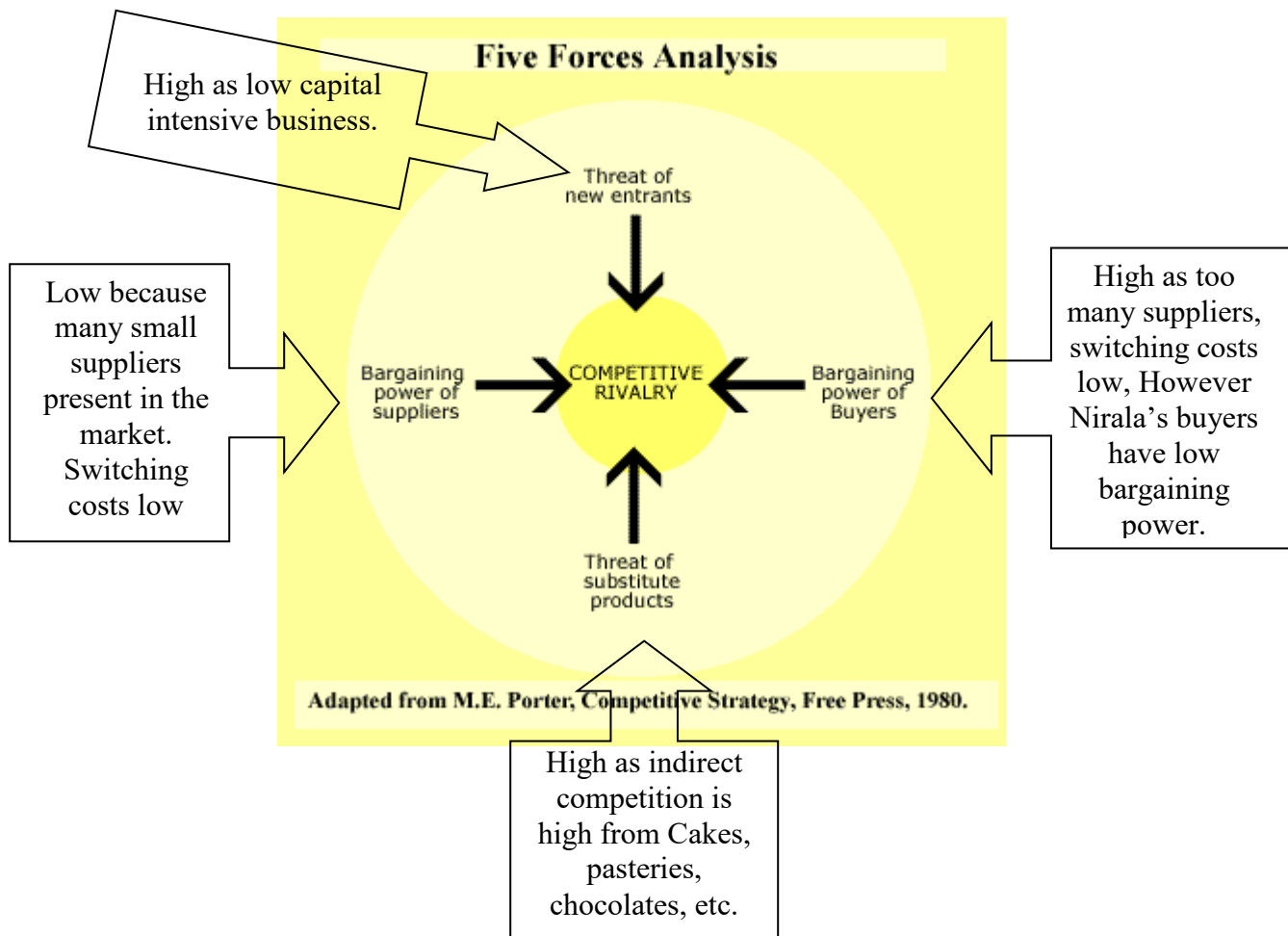


Figure 2: Porter Five Forces Model for Nirala Sweets

6.1.1 Bargaining Power of Buyers

The bargaining power of buyers is high only for the ordinary buyer as many different suppliers of methai and sweets are present in the market. However their buyer power is not high in the sense of bargaining the prices of different products. As far as the corporate buyers are concerned, at times if they are buying in bulk, some discounts are offered. However the buyer still is not in the position to dictate his own terms. This is because Nirala Sweets has an image to maintain. If they start offering rebates, discounts etc, they would damage their image.

The quality of product being offered by Nirala and his brand name is so differentiated that he stands out among all others. Although there are many mithai manufacturers in the market, still if a customer comes to Nirala, he/she has a clear perception about the brand and what it is providing. If one wants to bargain he won't come to Nirala in the first place. In Nirala's case, the buyers do not have the ability to force down their prices, they don't even bargain for higher quality as Nirala is providing the best quality so far in the market. This makes the buyer bargaining power low.

The buyers overall know that their bargaining power is low as Nirala is today at the point where it can dictate its own terms and is so successful in creating a differentiated image that the buyers do not argue and accept what the company offers. This is evident from the fact that Nirala's prices are highest among competitors; still his market share is the greatest.

6.1.2 Bargaining Power of Suppliers

We can take the concept of suppliers from two ends, one is the different suppliers of methai that are available in the market such as, Nirala itself, Jamil Sweets, Fresco sweets, etc, and other can be the suppliers of the ingredients that are required to manufacture the methais.

When we talk about the different mithai suppliers we see that their bargaining power is low because of the fact that if the customer is not getting what he wants or the quality he is looking for he will switch to another brand or supplier thus making the bargaining power of buyers high.

The idea of making mithai an exclusive branded product is very unique. In order to achieve this goal, it is necessary that the core product being offered is that of best quality. In Nirala's case, this could only be accomplished if the ingredients going in the production of mithai are of highest quality. Nirala ensures that its ingredients are unmatched by competitors which is the factor that differentiates its mithai from others. The company has parallel suppliers i.e. there are at least two major suppliers of every raw material. They also act as a back up for each other. All the ingredients such as desi ghee, khoya, milk etc is of the finest quality. If a supplier is not catering to the demands of the company; ties with him are severed although Nirala prefers to have long term relations with suppliers as it increases trust and efficiency.

Suppliers are selected very carefully in the first place so that the company doesn't have to waste time in future by going through the whole process of supplier selection again and again. However, if such a time comes, there are many suppliers in the market for every single ingredient Nirala is using. Hence we can say that the bargaining power of suppliers is low. This is because if the company cannot dictate his own terms, it will move on to the next supplier. The lesser bargaining power of suppliers does not in any way mean that the company compromises on quality. The suppliers are mainly chosen on the basis of the quality of products that they provide. Suppliers are also chosen on the tendency of coping up with sudden pressures that can arise on the demands of the orders being placed. Due to this reason the suppliers are selected after a thorough detailed look at the quality of their products. The supplier bargaining power is also low due to the fact that there are many alternatives available and the switching costs are not high.

6.1.3 Threat of New Entrants

There is a high chance of the threat of new entrants as the barriers to entry are very low and any one with a mind for business can start up the business. There are as such no policies and rules to the business and the initial start up costs can also be very low. Even if Nirala's example is taken, it was also started as a breakfast joint and later became a mithai shop. So any one can enter the industry and can pose a potential threat.

The new entrant can be registered or unregistered. New entrants can even start up initially in their home without even a name. Just saying that the threat of new entrants is high does not in any way mean that any one who enters the market would be able to sustain as well. This is evident from the fact that every year many new entrants enter the market and just as many close down.

The overall operating cost of the business is also low as it is an unregulated industry. The threat of new entrants is also high because when a new entrant enters the market, there is very little reaction from competitors unlike other industries where competitors quickly try to ward off the competition by devising strategies etc.

6.1.4 Threat of Substitutes

If we look at the broad perspective of substitution, we can say that Nirala has a lot of substitutes. There are many mithai walas in the market who are much cheaper than Nirala. People can buy from them at lower prices. Location here also plays a role as mithai is something people don't give much thought to. Say when going some where, one has to purchase mithai for some one they would buy it from the nearest provider. In this way there are numerous substitutes. City wise however, there are two or three major substitutes to Nirala. If we go a bit beyond pure mithais and enter the 'sweet' category we can say that bakery items such as pastries and cakes are substitutes to mithais. Even chocolates are substitutes which can act as a choice for some one between eating mithai or some thing else which satisfies the same need.

Now when direct substitutes are considered, there is no direct substitute for Nirala as there is no mithai wala all over the country which satisfies the same needs Nirala does. No one so far has achieved the same level Nirala has. Nirala is not just selling mithai, they are selling some thing much more; a certain trust, a recognizable brand name, high product quality, status symbol and much more than any one else is providing. Hence the likely hood of a person switching to a substitute (who comes to Nirala solely to buy Nirala Sweets) is extremely low.

6.1.5 Competitive Rivalry between Existing Players

When one takes a broad look at the market, one can say that the competition is there and Nirala ought to feel threatened but when we take a closer look, the situation is very different. Although many shops are present in the market but that sense of competition which is present in players in other industries is not there. If the competitors were active, at least one would have risen to the level Nirala is today or at least close to it. The situation would not have been such that today that no one comes close to Nirala where competition is concerned. Other mithai walas have seen Nirala grow and they are still where they started off from. If the rivalry was high, this would not have been the situation.

FORCES	MEDIA INDUSTRY
Bargaining power of buyers	Moderate
Bargaining power of suppliers	Low
Threat of substitutes	High
Threat of new entrants	High
Intensity of rivalry	Low

Table 1: Snapshot of Nirala’s Poter Five forces Model

6.2 PEST Analysis for Nirala Sweets:

6.2.1 Political Factors

The political factors have a strong effect on the operations of any company. There is some degree of political stability. The political system in Pakistan is not very well developed and maintained. However the only way by which the governments change is the fair election system that is pure democracy. Although there are few criticisms on the system of democracy but over all the political stability is high. In Pakistan the government policies on code of ethics and rules are not stringent to start a venture of manufacturing and retailing mithai and sweets. So we can say that the political factors are stable. Another factor for Nirala Sweets may be that the Nirala has positioned itself as a brand for the upper class so the higher government officials also prefer Nirala over others. Therefore no political threats could generate for Nirala Sweets and it can continue its growth strategies.

6.2.2 Economic Factors

As far as the economic factors are concerned there is a great scope for different mithais and sheereens in the Pakistani market and also internationally as the per capita income of Pakistan is increasing and people now have more disposable income in their hand so they an spend more. Thus they can easily purchase the products offered by Nirala as they are of premium prices than the rest of the players in the market. Even if we talk about the international economic conditions they are far much better than from Pakistan. And these west countries are now following the traditions of the east. Thus we can say that the economic conditions both nationally and internationally are favourable for Nirala Sweets.

6.2.3 Socio cultural factors

As far as the social factors are concerned there is a great scope for different mithais and sheereens in the Pakistani market and also internationally as it has become a tradition to celebrate any happy occasion with mithais. No blissful ceremony is complete without it. Pakistan has a rich culture and with the growing population the traditions and the festive and even becoming stronger. People like to socialize and it is a trend that when they go to other people places, they don't go empty handed. So taking methis and cake is embedded in the culture of our country. Also internationally there are many Pakistanis and Indian

living and they certainly have an influence over the people living there, especially Indian trends are largely being followed by the foreigners. Thus in this regard we can conclude that Nirala, if keeps on establishing its brand internationally it can have an even better position in market.

6.2.4 Technological Factors

The technological factors are the factors which are the greatest hope for success for Nirala in the developed countries like Canada and United Kingdom, where it is planning to grow. The media technologies, the marketing techniques available in such developed countries are far more advanced than the ones in the lesser developed countries of the world. It is easier to reach huge number of customers through the use of innovative technologies for advertisement.

The internet usage is also very high in these countries so the information technology and internet can be effectively used to reach the target market segments easily and at lesser cost and that too in shorter span of time.

Another important factor is the use of technology to manufacture the products which Nirala offer. Currently Nirala is using state of the art technology and systems for its operations and the rest of this is their premium quality and taste mithais and other line extensions.

6.3 Brand Audit

6.3.1 Personality

When we talk about the personality of someone or something many different attributes are taken under consideration. Personality identifies how an individual is and what others can perceive of him. Brands are no different than individuals. Brands have unique personalities of their own which are different from all others. Nirala too has managed to establish its personality over time. Nirala is a male brand which is evident from its strong male heritage and bold vibrant colours. Nirala has a strong dynamic personality. He would simply not go for the second best and represents every thing that is simply the

best. He has an overall energetic and dominant personality. This aspect of domination is taken from his leading position in the market.

6.3.1.1 Personality Statement:

He is a fat, food and fun loving person in his late 50's with white hair and wears thick spectacles. He takes pride in doing things in his traditional but modern way. He loves to socialize and enjoy with people. He eats a lot and is always on the look out to have parties. He is young and fresh at heart. He always tries to bring smile on the face of people and loves to offer people good quality food.

He has a personality which speaks of integrity. The rich heritage and quality standards of Nirala contribute to this image of integrity. He also has an innovative personality. His innovation is evident from the new flavors introduced and the innovation in packaging. He has an ambitious personality with growth in mind. The way Nirala is entering new segments and offering different range of products shows that he just does not want to stop at where he is and wants to grow. Nirala's entry into International markets is also a proof of this fact. Nirala's personality is also shaped by continuous improvement. He experiments with new ideas and continuously looks for new ways to improve his products. His personality also depicts team work as his success would not have been possible without that. Along with all the above mentioned traits, he is also a socially responsible brand and is very sincere in what he does. He is committed to his work and believes in giving back to the society which has given him so much.

6.3.1.2 Brand Personality Dimension Index

The brand personality dimensions of Jennifer Aaker are a framework to describe and measure the "personality" of a brand in five core dimensions, each divided into a set of facets. Successful and established brands takes on a brand personality, a set of human characteristics associated with a brand name. The consumers often assign personality

qualities to products like traditional, romantic, rugged, sophisticated, and rebellious; and choose brands that are consistent with their own or desired self image

PLEASURE	Attribute	Weight	Scale (1-5)	Value
	Daring	0.3	4	1.2
	Spirited	0.4	5	2
	Imaginative	0.2	3	0.6
	Up-to-Date	0.1	3	0.3
	Total	1		4.1

COMPETENCE	Attribute	Weight	Scale (1-5)	Value
	Reliable	0.4	4	1.6
	Intelligent	0.2	3	0.6
	Successful	0.4	5	2
	Total	1		4.2

Table 2: *Brand Personality Dimension Index of Nirala Sweets*

Although the ideal brand personality of the Nirala is shown in the above tables. This brand personality is the most attractive brand personality in the sweetmeat industry.

Nirala’s personality is so well defined that every one can relate to it and it is easily communicable to people. Some of the major elements that have contributed to Nirala’s personality are:

6.3.1.3 Name:

The name Nirala itself says every thing about its personality. Nirala means unique. When the name of a brand says unique, it is bound to be registered in the consumers' mind. They associate unique things with the brand then. When ever they want unique mithai they would go to Nirala. Overall the name adds volumes to the brand as in this case this is what is going to be the most prominent feature of the personality. The name has also grown over time and even the first shop opened was named Nirala which is why he has established its strong presence over time. It has used one name and then designed everything according to this name.

6.3.1.4 Logo:

In the Nirala logo is its name written in bold clear letters depicting the clarity of the brand in its purpose and vision.



Using the name in the logo also is beneficial as the consumers remember it. The colours which have been used in the logo are red and yellow. The writing is in red depicting the vibrancy, ambition and strong market presence of the brand. It usually is printed on yellow which has also become a part of the logo. The red stands out on yellow which is exactly how Nirala stands out among competitors. Yellow here itself shows zeal, energy and enthusiasm.

Under Nirala, *a sweet is* written in tilted joined font. This font depicts the flair for innovation in the brand. Over all the logo shows that while the company knows what it stands for and sticks to its roots it has also grown over time by entering new markets, introducing new products and adding more colours to its personality.

6.3.1.5 Slogan:

The slogan of Nirala Sweets is *irresistible temptations*. This has shaped the personality of the brand in the sense that it has registered its personality in the minds of the consumers as being totally irresistible and people associate a certain appealing image with Nirala due to this slogan. The slogan adds to the personality by conveying an image to the consumers that the personality of the brand is so irresistible that they can't even think of

going any where else. It is so appealing and attractive, how can any one even want anything else.

6.3.1.6 Character:

Nirala has named its mithais as different characters like the *kulfi*, *rasgulla*, *ras malai* etc are advertised as different characters each having their own name and depicting uniqueness. These products then stand out among others as they are perceived to be different. The characters are so cute and prominently displayed at different outlets that they are easy to remember and add another unique dimension to the overall personality of the brand.

6.3.1.7 Packaging:

Nirala has a packaging like no other in the market. On special occasions and big orders very unique packages are provided. Customers can also pay a little extra on regular purchases and get the different packages. There are many different packages to select from and customized packaging according to the customer's order is also provided (the product superiority ad the introduction to the company gives a list of the packages available at Nirala). Even the regular packaging is attractive and stands out when placed some where due to its vibrant colours. The packaging then enhances the personality of the brand by standing out and increasing its memorability. It is so vibrant that the customer tends to remember it and spot it where seen among others.

6.3.1.8 Advertising:

Nirala's advertising helps make the brand more prominent. Effective use of advertising is done. On special occasions television is used in order to advertise and radio is at times also used. However, most of the advertising is done through print media. Some of the premium class magazines like Brides & U, Me & My Wedding, FAQ, Libas etc are used in order to advertise. In these magazines, advertisements are regular. The reason for selecting these high class magazines is that they give a high class image to the brand as well. If any ordinary magazine would have been used then the brand image would have been affected. Nirala also advertises when a new product is introduced or a new outlet is opened and makes its shops and products prominent. The Nirala vans which are all painted in yellow and the logo is written over them are often seen on the road

transporting mithai especially in Lahore. They are a moving advertisement for the brand and mark its strong market presence. They are prominent and make the brand stand out as a result.

6.3.2 Differentiators

Differentiators are those elements through which the company is able to distinguish itself from others and it helps the company to achieve the competitive advantage. Every brand needs to be different and it is very important because this is how any brand is able to make its image in the market so that it can set itself apart from the other brands available. These differentiators are the key selling point of any brand. One way to know that which is the differentiator is that it cannot be copied by competitors and can be a source of competitive advantage. These differentiated features may prove as successful barriers to market entry for potential competitors. Nirala Sweets is differentiated from the rest based on the following elements:

6.3.2.1 Price:

Price plays an important part when we talk about the differentiation of brand as some brand are low priced with a more penetrative strategy others are premium or medium priced. Products which are priced at the same price level have very less distinction between them. Because of this the customer loyalty for the same priced products is low and switching is high unless and until the brand name or image of a certain product is very strong. In this regard setting the price of the brand is important for customers that are the price of the brand higher or lower from its competitors. However, both ways can be a selling point and distinction depending upon how other things along with price is managed.

The price is a distinguishing factor for Nirala in the sense that the image which Nirala has consistently being portraying of the company is a brand providing quality and targeting the upper strata of the society with its uniqueness. It is catering to the premium segment which is hard to attract with low prices. Nirala has worked hard to establish itself as a premium quality brand and the prices of the products have had their role to play in this

image building. If they would have been at the same price level as any other competitor, Nirala would have lost out on a distinguishing feature which has an important contribution in his image building.

Also the prices for most of the products are higher than others in the market. It is a general perception in Pakistan that when a product is priced high it has a superior quality and for this reason the high prices of Nirala helps the customers associate an image of high quality with the products. Nirala publicize that its products are made of desi ghee which is an expensive ingredient increasing the price of its products. Also other high priced ingredients are used for the different recipies. Therefore these are bound to increase the price of the final output. So if the company associates itself with premium quality products and a high class brand image, thus it cannot be supported with low prices. For a better understanding, a comparison of different prices for different competitors is given. This is the general rate for mix mithai per kg. The competitors are selected from Lahore, Karachi and Islamabad depending upon their popularity and sales next to Nirala. The prices are arranged in descending order.

BRAND NAME	RATE (RS) /KG
Nirala Sweets	195
Jamil Sweets	160
Qasr-e-Shereen	150
Fresco Sweets	150
Gourmet	140
Fazal Sweets	130

Table 3: Nirala’s price comparisons with competitors

Source: Survey conducted by the researcher

From the above table, it is evident that Nirala’s prices are the highest among all the other competitors in the market. All the other players have little difference maximum of Rs.10 within their process whereas Nirala has a difference of Rs.35 from the most expensive

competitor next to it and has a difference of Rs.65 from the least expensive competitor. There are many other players in the market but their prices are lower and their sales are not that high so as to be considered.

6.3.2.2 Quality:

Quality perhaps can be the most effective differentiator however it is a more relative term. This is because high quality always pays off even at lower prices, people do not want to compromise on quality. Higher quality can also command higher prices. Those brands which have an image of high quality attached to them can well distinguish themselves from competitors.

Nirala has established high quality standards and differentiates itself on the basis of its quality. All the ingredients used are of top quality and desi ghee which is a symbol of quality in mithai manufacturing is used in all Nirala's products whether it is methai or other deserts like rasmalaye, kulfi, etc. Quality is again promised with Nirala as all the products are manufactured in house. Nirala's quality is evident from the fact that whenever asked from anyone who has tasted the mithai of Nirala, they say that they can clearly distinguish the taste of Nirala from others. This Nirala taste is attributable to its high quality standards and it is this quality that has helped Nirala differentiates itself from competitors. In order to maintain this high quality, Nirala ensures quality standards. For this purpose batch testing is conducted and any batch that seems a bit less in quality even is removed from the lot and the whole batch is taken out. Quality also depends on what the customer value. In this case the customers value taste and pure ingredients by Nirala. Below are few of the quality indicators of Nirala Sweets which are highly differentiated.

6.3.2.3 Quality Indicators of Nirala Sweets

- a. **Aesthetics (Beauty)**
 - 1) The outlook of the shop.
 - 2) Presentation of Sweets.
 - 3) Style of Packaging.

- 4) Interior designing of shops.
 - 5) Uniform of employees.
- b. **Cleanliness (Spotlessness)**
- 1) Exterior of the shop.
 - 2) Interior of the shop.
 - 3) Shelves.
 - 4) Employees.
- c. **Variety (Range)**
- 1) Sweets.
 - 2) Namkeens.
 - 3) Rusmalae, Kulfi etc.
- d. **Taste (Flavor)**
- 1) Similarity in all shops.
 - 2) Consistent.
- e. **Freshness (Originality)**
- f. **Ambience (Atmosphere)**
- 1) Sitting area.
 - 2) Back ground music.
 - 3) Lights.
 - 4) Colors.
 - 5) Wall paintings.
 - 6) The crowd.
- g. **Convenience (Ease)**
- 1) Reliability.
 - 2) Dependability.
- h. **Courtesy (Politeness)**
- 1) Mannerism.

- 2) Helpfulness.
 - 3) Education.
- i. **Hygiene (Health Oriented)**
- 1) Use of gloves.
 - 2) Use of Mosquito killers.
 - 3) Clean shelves.
 - 4) Continuous cleaning in the shop.
- j. **Consistency (Steadiness)**
- 1) Quality.
 - 2) Service.
 - 3) Delivery.
- k. **Alluring (Attracting)**
- l. **Innovative (Creative)**
- 1) Sugar free sweets.
 - 2) New range.
 - 3) Continuous improvement.
 - 4) Trend setters.
- m. **Designing**
- 1) Methai.
 - 2) Packaging.
 - 3) Interior and exterior.
- n. **Commitment (Dedication)**
- 1) Loyalty.
 - 2) Hard work.
 - 3) Consistency.

- 4) Devotion

- o. **Expansion**
 - 1) New product range.
 - 2) New shops.
 - 3) International exposure.

- p. **Shelf Life**

- q. **Deliciousness**
 - 1) Exceeding expectations.
 - 2) Mouth watering.

- r. **Location (Place)**
 - 1) Densely populated areas.
 - 2) Main areas.
 - 3) Posh areas.

- s. **Availability**
 - 1) Internet.
 - 2) Shops.
 - 3) Airports.

- t. **Technology**
 - 1) Internet.
 - 2) Customer feedback system.

6.3.2.4 Customer Service:

Another differentiating factor for Nirala is its customer service as none of the competitors give this unique experience of interaction and purchase in the outlets. This is because the staff is well trained and has uniformity in their clothing and manner. They are well mannered and always seem smiling and welcoming. While customer service may not be a distinguishing factor for Nirala but it certainly adds value to the whole package.

6.3.2.5 Breadth of Line:

Different product range also acts as a support to the Nirala differentiators. This provides the customers with the convenience and ease because they can find every sweet thing at one place. Nirala has a wide range of products with special products like sugar free mithai for niche segment also. Special mithais according to the customer's order are also made on demand. Nirala has also introduced namkeen nimkos and snacks and is planning to introduce mineral water also (the products of Nirala are mentioned in the introduction).

6.3.2.6 Leadership:

Nirala is today operating as a leader in the industry because of its brand name, positioning and the quality it is providing to its customers. It has successfully established itself as a leading brand in such a market where there was no concept of branding. Nirala's leadership is evident from his large market share (though no specific figures are given but we analyzed that by the number of branches and international expansion which they company now has) and from the fact that no other competitor has reached his level so far and is not likely to do so in the near future. Nirala does not feel threatened from its competitors because no one till date has come up with the unique selling proposition which Nirala currently has. It is due to this USP and leadership that the company can command higher prices. The leadership of the company is also evident from the fact that customer loyalty and awareness is high and people demand its products on name. They associate a clear leadership with the Nirala name.

This leadership however was not just a stroke of luck but rather took the company through a lot of hard work and dedicated consistency to reach this position but once there, the rewards are great.

6.3.2.7 Heritage:

Nirala has a rich heritage and has carried its tradition through the ages. It started almost 60 years ago in Mewa Mandi Lahore. At that time the owner Taj Din only served break fast of *halwa puri* as there were a lot of traders moving about in the morning hours and they wanted to take breakfast. Taj Din grabbed this opportunity and opened a break fast joint. He soon became famous in the area due to his unique and favorable taste. In time

he also started making mithai and opened another shop on Fleming road. This was convenient for people coming from other parts of the city. They didn't have to go to inner city of Lahore now. The shops were named Nirala because of their different taste. Later on Taj Din's son opened another shop on Jail Road. From 1948 – 1982 there were only one shop and the one on Jail Road opened in 1982. This further was convenient for customers as it is a central location in Lahore. In early 90's new shops were added and finally the grand son Faisal Farooq took over. He took Nirala to new heights. It was his father's vision that Nirala should evolve as a brand and he had all the expansion planned. Even the dairy project's feasibility was worked out by him. Since his health started deteriorating, he handed the business over to his young son who had just done his MBA. Faisal than took to fulfilling his father's vision. In the last 10 years the business has grown tremendously.

Above mentioned is the history of Nirala which helped the company build its strong heritage to which people can associate themselves with. This has also enabled Nirala to have a rich heritage because of all the people who associate with it. This relationship of Nirala with its people and customers bring the element of trust and reliability to its heritage. People know that the brand is dedicated and here to stay. Heritage also at times becomes a barrier to entry for other potential new entrants.

Hence if we look at the heritage of the company, we can trace all the history back which is known by most customers. As the family has grown, the company has grown with it. Here heritage is a distinguishing factor as there is no other local company which is so open about its heritage or in other words communicates it to the people.

6.3.2.8 Product Superiority:

As discussed earlier, Nirala's product is superior to competitors and has a unique retailing system and taste of the products. Apart from this, the packaging is much superior to competitors. Nirala offers very attractive and beautiful packages. Customized packaging is also provided which makes it superior. The packaging is very attractive and there is a range of different boxes a customer can select from. They are elegantly made and tin boxes which are also colorful and can even be used later on by the customer to keep other

things are also available. Following is the list of the superior packaging available at Nirala. This superior attribute of Nirala is also discussed in the introduction of the company.

1. Hand Made Collection: Beautiful handmade boxes with eye-catching presentation, available in Fabric, Chunri and Velvet finish.

- d. **Chunri Box.**
- e. **Red Handmade.**
- f. **Pronto Handmade.**

2. Wedding Range: A large collection of boxes and pouches to add a special touch to customer's wedding celebrations. These are available in covers cardboard boxes and pouches with stunning flower prints, unique boxes painted in silver, bronze and gold, and a wide range as listed below:

- g. **Golf and Dubai Pouch.**
- h. **Blue Pouch.**
- i. **Flower Pouch.**
- j. **Red Box and Bag.**
- k. **Flower Box.**
- l. **Pink Rose.**

3. Wooden Boxes: Stylishly designed wooden boxes, with the recipient's name etched on the top and the premium range of methai by Nirala, inside. It is ideal to be sent to multiple recipients on various corporate events. There is also an option of placing company's product sample or gift inside.

- c. **Wooden Box.** This carefully crafted wooden box gives an exclusive look.
- d. **Wooden Box with Pen.** This elegant wooden box, which carries recipients name on the top cover, is ideal for multiple recipients on various corporate events. This box can carry company's product sample or a gift along with methai by Nirala.

4. Tin Packaging: Elegant tin boxes printed with the text and picture of customer's choice. This is ideal for corporate giveaways and special events, offering ease in carrying and shipment.

- c. **Alfalah Bank Box.** This graceful, easy to ship tin box was specially made for Bank Al-Falah with a picture of a fountain at Bank Al-Falah square, Lahore.
- d. **Miniature Box.** This box has a print of Mughal miniature on the top and with its description on the backside.

5. Newborn and Birthdays: An adorable way to announce a newborn, first tooth or a birthday. Delightful teddy bear prints, truck shaped boxes and a complete animal box collection is available with Nirala to make a celebration extra special.

- f. **Animal Boxes.** Cute animal box collection is the best way to celebrate birthdays, hakika or any other function.
- g. **Teddy Bear with Bag.** This is to celebrate the Unforgettable moments of child's birth or on their birthdays.
- h. **Teddy Bear with Balloons.** An adorable teddy bear, surrounded by red and yellow balloons is a perfect choice for Birthday parties.
- i. **Blue Teddy Bear.** This simple and cute box, with an adorable teddy bear on the top can be given away on newborn, first tooth or on a birthday.
- j. **Menahil Bag.** An outstanding triangular box made of translucent plastic sheet, wrapped in pink paper. This comes in a beautiful bag with customer's name on it.

6. Other Range of Boxes: Custom made boxes for corporate giveaways, college events, reunions and special occasions like Valentine's Day are yet another specialty at Nirala. Some of these are:

- e. **ABN Box and Bag.**
- f. **NCA Box.**
- g. **Triangle Box.**
- h. **Valentine Box.**

6.3.2.9 Brand Owns An Attribute:

Nirala owns the attribute of irresistible temptations. This is also the slogan of the company and it has advertised it and it is present on every package. No other competitor has thought of such a thing. Mithai is a product which is eaten on temptation mostly and by associating such an attribute with mithai which so goes with the product is bound to register itself in the consumer's mind. Now when ever the customer is tempted to eat mithai he/she would have the name Nirala as their top of mind and top of choice. This is because a certain association with the brand is established due to the attribute.

6.3.2.10 Providing a Market Specialty:

Although Nirala is not targeting to a specific niche market with its products but it is catering to some niche needs by providing sugar free mithai and customized products for special customers at a premium price.

6.3.3 Positioning

Nirala's positioning is greatly due to its personality and other attributes. Due to the distinct positioning that Nirala has created in the consumers' mind, people don't mind paying more for it as they know what Nirala stands for. Nirala has positioned itself differently from the rest of the players in the market. It is positioned as a premium brand. It has a strong position in the market and enjoys a clear distinctive position among others and as such no other brand has been able to effect that positioning. The positioning is mainly due to Nirala's strong heritage, presence and name in the market. It is positioned as a quality oriented brand. It is trusted and has been positioned as a top of the line brand. Nirala today is at the level that it has become a status symbol on occasions and weddings etc. Any other mithai except Nirala is considered second grade. It satisfies the ego need of people. They believe that the brand conveys something about their personality and status whether consumed at home or presented to any one else. In official functions the brand is used as a status symbol which increases the festivity. The corporate sector gifts its clients by placing orders at Nirala on occasions like New Year and Eid etc in order to convey a certain image of the presenting party that just like Nirala they also don't compromise on quality and have selected the very best to be gifted to some one who is

privileged to them. There is no other competitor in the market that enjoys the same positioning as Nirala.

Nirala also doesn't feel threatened by any one as they believe they have seen a lot over time. Others that started off with them are either still where they were at that time or have been wiped out of the market altogether. No one has taken the kind of initiatives Nirala has. It took Nirala almost half a century to reach where it is today and they believe that simply by investing in the brand name etc, no competitor can reach their position. If it took Nirala 50 years, one can calculate how long it would take the competitor to reach the same position. Also, when and if they do, by that time Nirala would be too big to compete with.

In the market there is no other branded mithai which is even close to Nirala. People do not have perceptions, brand associations etc. with any other mithai manufacturer. Even if there is, it is only local based. All over the country there is no such strong presence of any competitor. Now when Nirala has entered International markets, it has even become bigger and less threatened by any one. Brand loyalty is non-existent for other players in the market. People switch from one to the other frequently. Most purchases are made according to where these players are located or if the customer wants to save money. There is no other competitor who has a presence all over the country. It is then an admirable quality of the brand that although it is not facing any threat, it still grows and innovates and is never content at its present position. It is not bothered about others but wants to keep up to the expectations of customers as when a brand reaches the position where Nirala is today, it has to keep on going and not sit idle to enjoy its success. That is where competition sweeps the brand i.e. if it sits to enjoy its success and stops the continuous improvement process. Nirala also continuously invests in the brand in terms of IT, Infrastructure, HR, Innovations, Superior Quality and many other elements.

6.3.3.1 Perceptual Positioning

A perceptual map is a two or three-dimensional illustration of customer's perceptions of competing products comparing select attributes based on market research. Perceptual positioning is an astonishing way to paint the picture of where the products and the brand

are located in the consumer's mind. This positioning strategy is the fundamental part of a company's marketing effort as it uses the element of marketing mix i.e. the product design, its price, distribution and marketing communications to influence the customer's understanding of its meaning. It is logical to expect that consumers would react differently to different categories of brands. For evaluating a scenario in a foreign country where international, national and private brands are important players in the market. In such a situation, it is very important for marketers to understand consumers perceptions of these international, national and private brands. It will allow them to understand consumer needs and thus to position these brands better against the backdrop of differences in perceived product quality, price, prestige etc. This whole issue becomes even more important when the market environment is characterised by a rapid exposure of consumers to international brands in the presence of substantial cultural differences among the population.

6.3.3.2 Perceptual Mapping

Customer perceptions are the acid test of whether benefits are delivered. A product may meet objective performance criteria, but a company only "gets credit" if customers perceive that the product delivers the benefits that they are seeking. Analytically, the primary positioning tools are called perceptual maps. Perceptual maps are based on customer's perceptions of the benefits that brands deliver. The maps are visual representations of competitive brands or products plotted along two dimensions at a time that capture the most important attributes in the purchase process. The maps reveal brands' positions relative to each other, and relative to customers' ideal points. For Nirala, in order to draw perceptual maps, one or two major competitors are selected from Lahore, Karachi and Islamabad. The reason is that there are different competitors which are second to Nirala in each city.

6.3.3.3 Positioning Attributes:

Attributes which are considered important in order to maintain a position in the market for the brand and make an impression in the minds of the consumers, are important positioning attributes. In the mithai industry the attributes which are considered to be

important are mentioned below with weights assigned to them according the value perceived by the customer.

Attributes	Weight
Price	0.06
Quality	0.2
Awareness	0.1
Brand Image	0.2
Customer Loyalty	0.05
Outlets	0.06
Taste	0.23
Preference	0.1

Table 4: Positioning Attributes for Nirala Sweets along with the weights

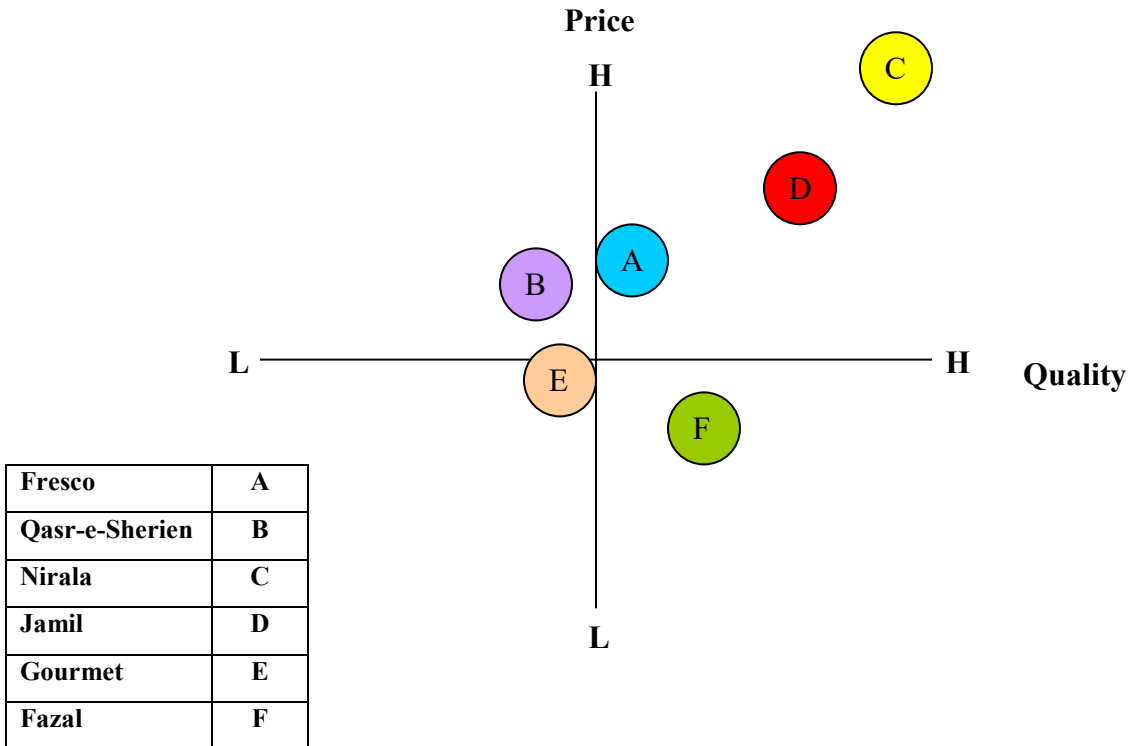
The position of following competitors will be plotted on the map

Fresco	A
Qasr-e-Sherien	B
Nirala	C
Jamil	D
Gourmet	E
Fazal	F

Table 5: Set of competitors of Nirala for the positioning maps

Figure 3: Perceptual Map 1

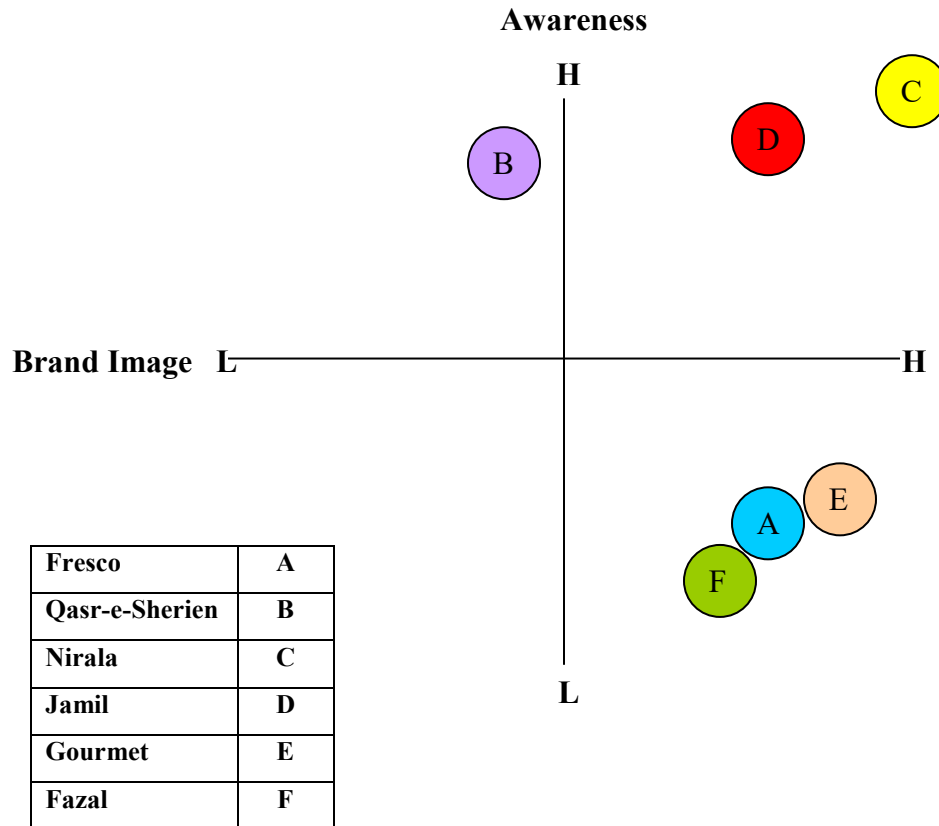
The perceptual map for the quality of products the different companies are providing against the amount of prices they are charging is given:



The quality of Nirala sweets is the highest; hence the prices charged are the highest among the other prominent players. After Nirala, Jamil sweets has the second highest price range and a relatively better quality than others. Fresco Sweets and Qasr-e-Sheeren have the same price level with a little difference in quality. Fresco has a relatively better quality than Qasre-e-Sheeren. Gourmet has almost the same quality level as Fresco but the prices are relatively lower than others. Fazal Sweets has a quality level which is third after Jamil Sweets but the prices charged are the lowest among all the other players.

Figure 4: Perceptual Map 2

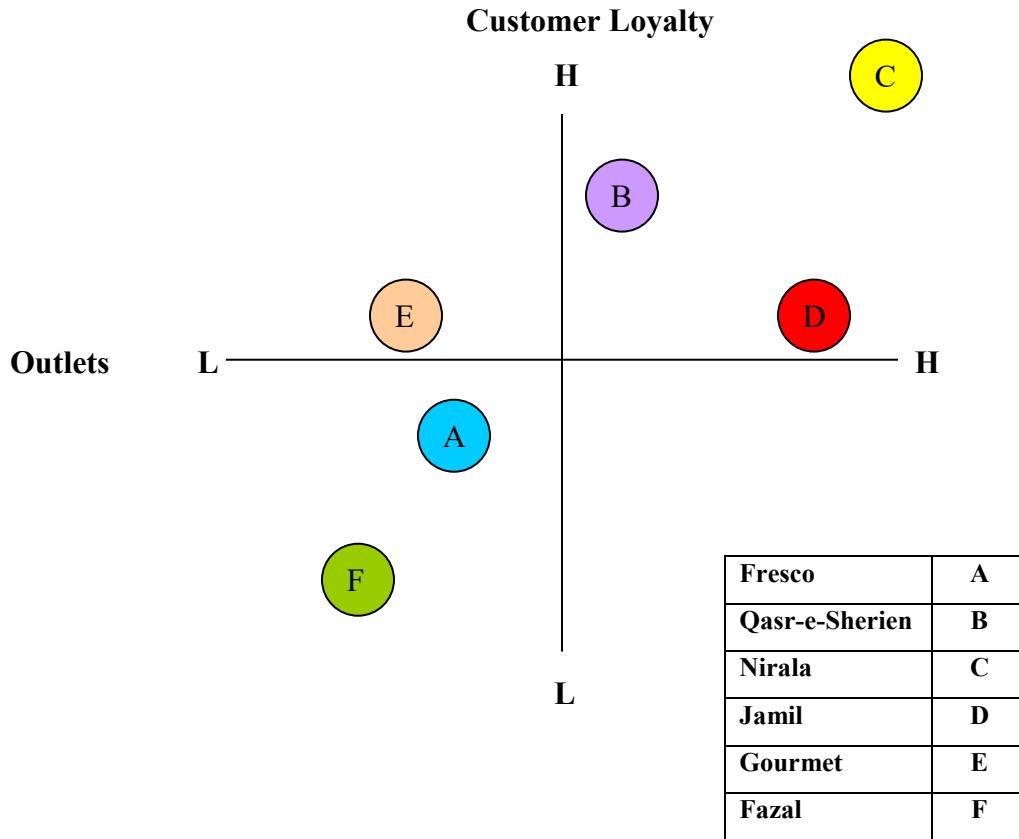
The map between the attributes of Brand awareness and Brand Image is given below:



Nirala has the highest brand awareness because it invests the greatest in advertising, engages in promotional activities etc. Even the brand name of Nirala is highly recognized among all consumers. Nirala also has been around for a decade which is why the awareness level is highest for him among others. It has also worked consistently in creating the right brand image and has succeeded in it. Customers have a very clear brand image of the company engrained in their minds. After Nirala, Gourmet has the second highest level of awareness and brand image. This is because they have branches in Lahore and Islamabad and they also have become a brand name. People are aware of their existence and favor them as a brand. Qasr-e-Sheeren also have a high awareness level as it has branches in Lahore, Karachi and Islamabad. It is very old and people are aware of its existence. The brand image however is not that favorable as the prices are lower than others and it is considered a common brand. Jamil, Fresco and Fazal have low awareness levels because they are city specific whereas the image of Jamil is better than Fresco and Fazal.

Figure 5: Perceptual Map 3

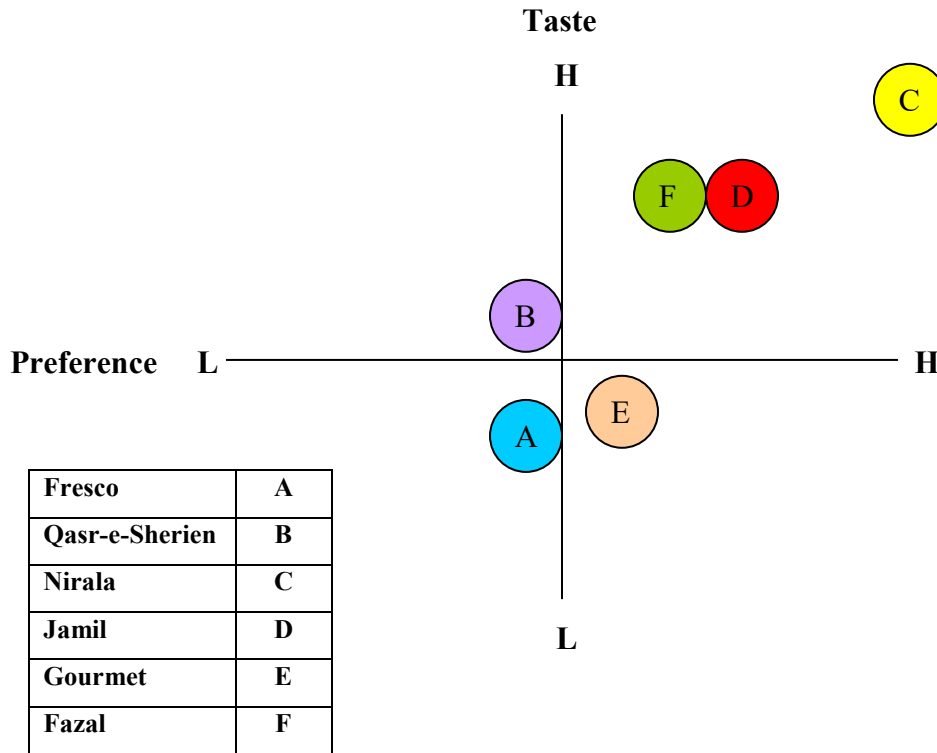
The third map is drawn between customer loyalty to each brand and the number of outlets it has.



Nirala Sweets has the largest number of branches among any other mithai wala. The company is in 10 cities and has two branches abroad. Distribution is also in UK and Canada. Total number of Nirala branches is 39. Hence the customer loyalty is highest. People go to Nirala as they recognize it and associate with it. Gourmet has the second highest number of branches which is 32 but the customer loyalty is lower than that of Qasr-e-Sheeren. This is because although Qasr-e-Sheeren do not have as many branches as Gourmet but it is very old and people trust its quality. That is why customer loyalty is higher. The customer loyalty for Jamil is higher than that of Fresco but it has a lesser number of outlets than Fresco Sweets. Fazal has the least number of outlets among all and although the quality of its products is perceived to be high; customer loyalty is still lower.

Figure 6: Perceptual Map 4

The fourth map is drawn between the actual taste being provided by each player and the preference level of customers for different players.



Just like all the other maps, Nirala again is at the top in the taste that his mithais have because all the products are made in desi ghee. Due to this factor and due to the brand image it has, customers prefer Nirala over any other brand. Fazal and Jamil are at the same level where taste is concerned and each has the same preference level as Jamil is popular in Rawalpindi whereas Fazal is preferred in Lahore. Qasr-e-Sheeren have a better taste than Fresco and Gourmet but the preference level of Gourmet is more than that of the other two. This is because although Qasre-e-Sheeren have a better taste but the brand name affects its preference level. Gourmet on the other hand having more recognition has a greater preference level. In this map, Fresco scores the lowest among all other players.

6.3.4 Metrics

6.3.4.1 Image Metrics

In this section, we will determine if “Nirala” has gained a distinctive position in the minds of its target audience through the different brand enhancing and communication tolls that it has used over time. It is worth mentioning here that initially, Nirala depended heavily on positive word of mouth that was substantiated by the quality products it has been providing. Even today, they focus more on below the line activities for promoting their brand with above the line activities still in pipeline.

a. Awareness:

The target market of Nirala is highly aware of the brand. It is also because of the fact Nirala is one of its kind and they are undoubtedly the market leaders in sweet and mithai industry. When customers asked about their sweets, Nirala is one name that is taken instantly because of image that it has created through its constant premium quality products over number of years.

b. Recognition:

Nirala is a highly recognized brand almost synonymous with mithai. Though the marketing activities of Nirala gained momentum after mid 1990s, but Nirala gained its recognition much before it expanded out of Lahore and focused on marketing activities.

c. Relevance:

Mithai, even if not of Nirala, is culturally relevant and it has always been part our lifestyles. Any festival or celebration is not considered complete without mithai and it is believed to add more sweetness to the joy that is being celebrated. Nirala has added exclusivity and class to ordinary mithai that is widely available. To make it more relevant to the target audience Nirala Sweets comes in different packaging depending on the nature of event ranging from wedding, newborns and birthdays to specialized packaging for corporate clients. People expect first-class presentation, as they have become conscious of the wrapping of the mithai boxes when they exchange gifts on occasions

like 'eid,' 'nikah', wedding or engagement ceremonies. Similarly they announce the birth of their children by distributing sweets in custom-made especially designed boxes.

d. Preference:

Nirala is a preferred brand for its target audience. It is considered to be prestigious and is the first choice of its customers when it comes to celebrating special occasions like weddings and birthdays. Nirala is not only preferred because of its quality products but because it is truly Nirala “the different one” in terms of image and trust that it has built over time. In 1965, Nirala became the Official Methai Supplier for the Governor House. Nirala Sweets are also served in state dinners. The top quality of its products only implies Outstanding and Distinctive.

e. Loyalty:

Nirala Sweets' customers tend to be brand loyal. One of the facts being that no other competitors has ever come up to the service and the experience that a Nirala Sweets provides. The loyalty of customers also depends on their tradition of taste and quality. Most of the products are still as original as they were two generations ago. Further more the brand name is so famous that the target audience tends to be loyal to it also because of its superiority.

6.3.4.2 Impact Metrics:

a. Market Share:

Nirala Sweets so far have the largest market share. The Mithai Industry is very fragmented and there are a number of different Mithai Makers operating in almost all cities of Pakistan. However Nirala is one name that is not only present across different cities of Pakistani but also has its outlets abroad and Nirala mithai is also exported abroad. Since none of the mithai makers have come up to the standards set by Nirala, it is the market leader with aggressive expansion plans. It is in the star category of the BCG matrix because it has a growing market share and the industry is also growing.

b. Profitability:

The Nirala Sweets has been the core brand. Had it been not profitable, it would not have expanded this much. The expansion not only needs sharp brains with imagination but also the money to capitalize on it.

c. Price Premium:

Nirala is the premium priced Mithai ever since its inception. Because of the quality of the product then and the added prestigious image that is associated with Nirala now, its customers have always paid the premium price that Nirala charges. Not only is it highly priced in its own respect, it offers Mix Mithai at the rate of Rs.195 per kg which is the highest price in the whole sweetmeat industry. All of its competitors are priced somewhere in between Rs150- Rs170. Other than that there are also many players in the market offering mithai at even lower prices. These shops are once those are located and operating at the lowest level. Also in our society, high price is related to high quality and with the long way it has come through, Nirala has certainly worked for it. Hence, it is a general perception that price paid to Nirala is worth it.

d. Life Cycle:

The Mithai has certainly reached its maturity stage. Since it is embedded in our culture and our lives, it is not likely to enter a declining stage. When critics argued Mithai's health consequences for using sugar, the sugar free Mithais were launched in the market. This is one thing our culture has never abandoned.

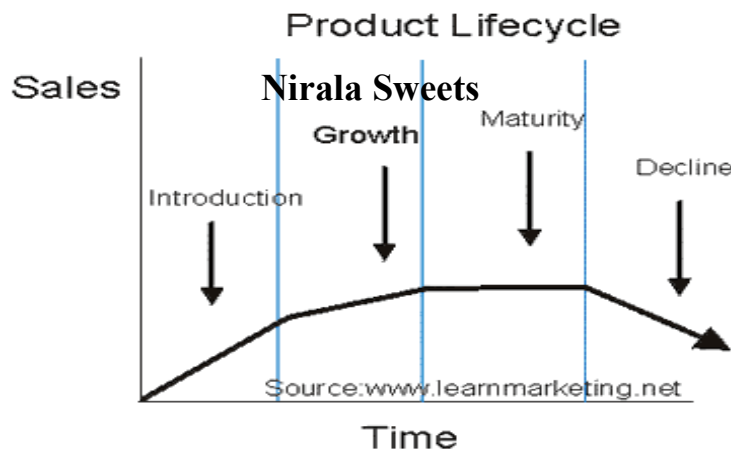


Figure 7: *Product Life Cycle of Nirala*

Though Nirala has been in market since 1948, but the true branding strategies were incorporated from 1990s. In that respect, Nirala is in its growth stage, there are a number of opportunities available to the brand Nirala. It has the whole international horizon available to it. Its diversification strategy also stresses that the brand Nirala has a tremendous growth potential.

6.3.4.3 Brand Equity:

a. Young & Rubicam Model:

The premier advertising agency Young & Rubicam (Y&R) has developed a multiple criteria method to assess brand equity growth. The four measures form the basis of two equations are defined below:

1. Differentiation x Relevance = Brand Strength (or vitality)
2. Esteem x Familiarity = Brand Stature

Rating: (1 being lowest –5 being highest)

Competitors	Knowledge (1-5)	Esteem (1-5)	Brand stature (K *E)	Differentiation (1-5)	Relevance (1-5)	Brand strength (D*R)
A. Nirala Sweets	4	5	20	5	4	20
B. Fresco Sweets	2	3	6	2	4	8
C. Jamil Sweets	3	4	12	4	4	16
D. Qasr-e-Sherien	2	3	6	2	4	8
E. Fazal Sweets	3	2	6	3	4	12

Table 6: Y&R Model Calculation table for Nirala and its competitors

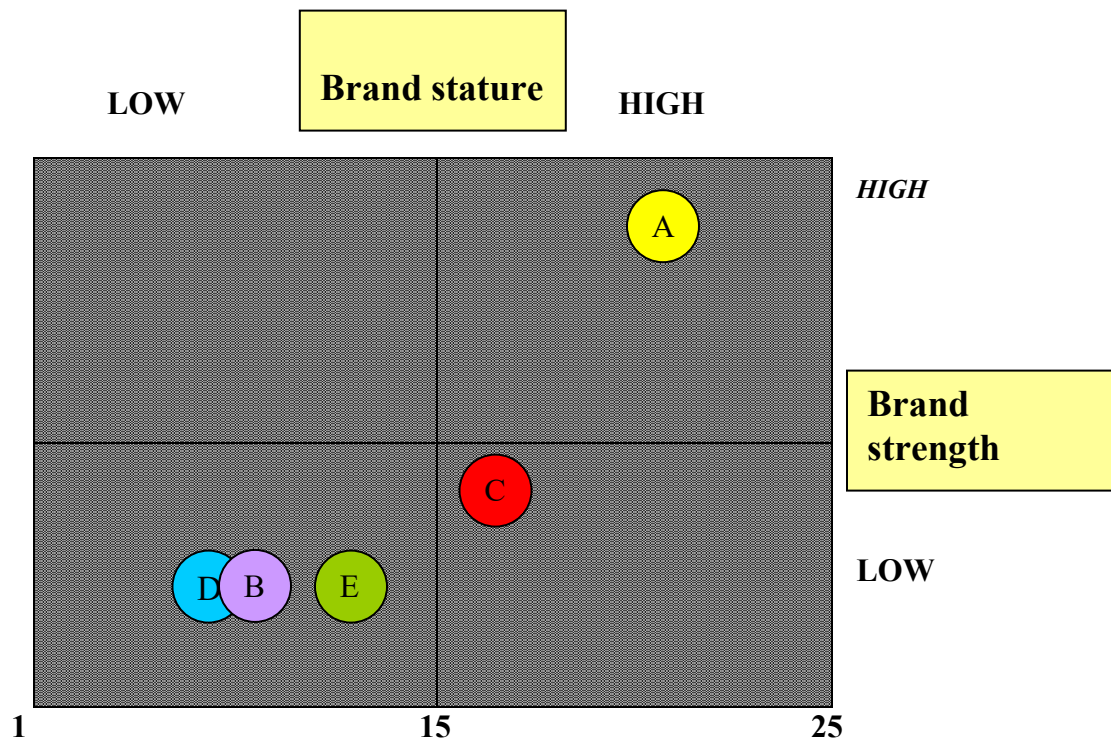


Table 7: *Y&R Model representation of Nirala and its competitors*

This grid allows for a quick and simple comparison among competitors along the two key dimensions identified by Y&R. Brands that are high on both dimensions (the upper-right quadrant) have the greatest equity to protect and exploit. The bottom-left quadrant is generally made up of brands that are just getting started; however, a brand that stays too long in this quadrant is not likely to be successful in the long run. According to the Y&R hypothesis, the brands in the upper-left quadrant are either strong niche brands or brands with a significant opportunity to grow by increasing their stature (knowledge in particular). The lower-right quadrant, in contrast, is populated by brands that are tired, but still retain some esteem and knowledge.

If we consider Nirala Sweets in this regard, it will be placed in the upper-right column of the grid i.e. high brand stature and high brand strength. Customers are knowledgeable about the offerings of Nirala. It is among the highly recognized local brand, that has

received so much appreciation and recognition by the customers. This is also because of the factor that they are the only significant brand in the sweetmeat industry. The esteem associated with Nirala brand can be gauged by the fact that it is the brand that is served in state dinners as well, this factor increases its equity.

Nirala not only differentiates itself on the unique taste of their sweets but also on the packaging that it provides. The Nirala packaging is done by “Packages Ltd”, a renowned name in the world of packaging. Also the raw material used by Nirala in Mithai-making is produced in-house to ensure consistent quality and taste. Nirala is also high on the relevance factor because it branded the category with low innovation. However the relevance is the same for all other competitors because the penetration level of every other competitor is high. This is because all are targeting the different segment than Nirala. With taste and packaging innovation that is accredited to Nirala, the sweets became more relevant to the all stars of society alike. As mentioned above, the brand in this section have greatest equity to protect and exploit. It is also true for Nirala. Nirala has to protect their brand from illegal use extensively. Copyright laws are not strictly observed in Pakistan, this has allowed Nirala’s competitors to copy their brand and packaging. Nirala has worked really hard to protect their brand name from diluting its esteem. Since, the brand name is so strong, they have also exploited it by entering into other relevant markets.

6.3.5 Internal Elements

6.3.5.1 Brand Structure

a. Megabrands:

Nirala is pursuing the strategy of branded house. It is now called Nirala group of companies. Not only is their core business of sweetmeat named as Nirala the company has diversified into new businesses. The crispy snacks sold at the shops are now packaged commercially under the brand name of Nirala Snipz. A state of the art milk packaging and processing plant set up near Faisalabad is also operational and producing powdered milk, UHT milk and Desi Ghee, all under the brand name of Nirala. In addition

to whole range of Nirala products, Nirala is also operating a restaurant with the name Café Gowalmandi. Though it comes outside the branded house of Nirala, it still has a strong association with it.

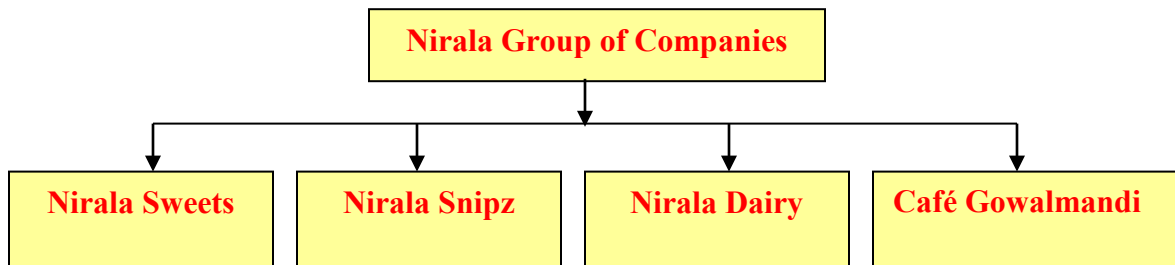


Figure 8: *Nirala Group of Companies*

Nirala is not just a brand in the sweetmeat industry. It has a history that date backs to the birth of Pakistan. It inculcates a strong sense of association and belongingness to our own culture and our own traditions. Nirala has come up as the sweet symbol of our culture and has presented the traditional sweets with contemporary approach. It has improved the status of mithai to “The Nirala Sweets”. Because of its old and authentic presence in the market, it has gained the trust of many. So when Nirala extended its brand name to other products in the food industry, it was welcomed. Nirala Dhoodh (Milk) has been doing well in the Lahore and Peshawar markets despite the presence of fierce competition in the category. The milk is not widely available in all the cities yet. However, they plan to increase their production and distribution with time. Other than that many diary products are also part of their growth strategy and will be brought to market one after the other in upcoming years.

b. Brand Extensions:

As already mentioned, Nirala has diversified itself in the categories such as dairy products and snacks. The product line includes Nirala Sweets, Nirala Dhoodh, Nirala Desi Ghee, Nirala Pheonian, Nirala Snipz Krakalz, Nirala Snipz Torpedoz and many other products. The products other than Sweets have been introduced in the market place, other than keeping them on their exclusive outlets for high customer visibility and awareness.

6.3.5.2 Brand Management

a. Organization:

Every company has its specific structure which makes the operations go smooth and in an order. Following is Nirala's organogram.

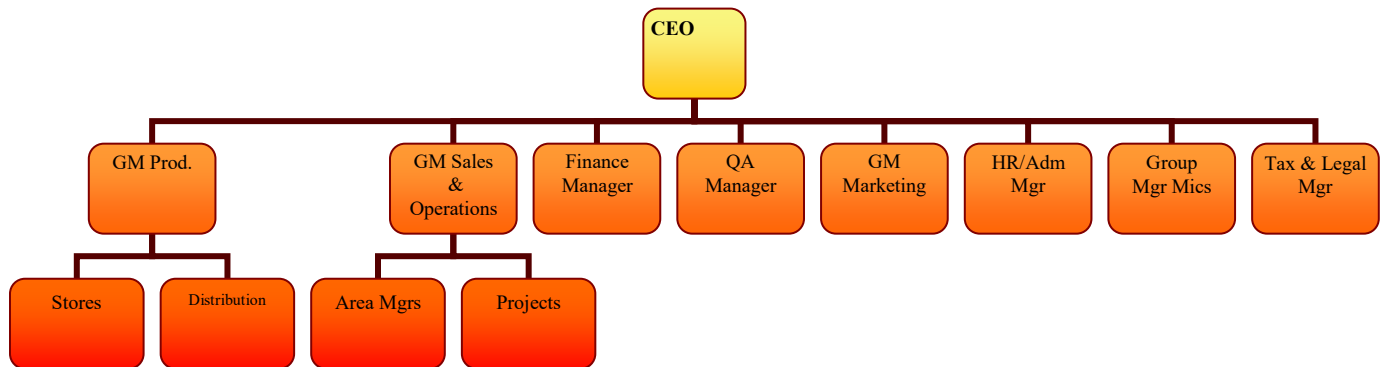


Figure 9: Organization Chart of Nirala Sweets

b. Competitive Advantage:

The organization has some core competencies on the bases of which it has attained a competitive advantage over its competitors.

Criterion	Favorable/ Unfavorable
Cost Structure	—————> Low Cost Producer
Degree of Control Over;	
Price	—————> Strong
Cost	—————> Moderate
Channels of Supply	—————> Strong
Response/Lead Time Advantage	—————> Responsive
Contacts and Networks	—————> Strong

These core competencies will play a vital role in the success and future operations of Nirala Sweets.

c. Customer Service:

Nirala provides all its customers with a delightful buying experience through modern and inviting decor of the outlets and warm welcome courteous attitude of customer support team. The cleanliness of the shops is highly maintained to match their image of a high profile organization. Their customer support team undergoes rigorous selection and subsequent training sessions and is continuously monitored for there service. The company also has a Universal Access Number (UAN). The company representatives can be contact for any query and assistance. The customers are also requested to fill out a feedback form, so as to know about the customer comments about their products and services. The customers’ feedback is uploaded to their database on the regular basis. It has not only helped improve their service, but also enable them to see the trends followed by the customers and their taste preferences thus improving on their part.

d. Market Segments:

For any product or service, there is always a particular market to which it is directed. Several criteria’s need to be analyze before selecting any particular market. The product or service must satisfy and fulfill the needs and desires of the market to which it is targeted. Nirala Sweets is targeting to the upper strata of the society as they have higher prices than rest of the players in the market and the kind of image they are portraying is for the elite. This is the differentiating factor for Nirala as none of the competitors have come up to this level of positioning.

TARGET MARKET OF Nirala Sweets	Young generation- male and female (Age 18- 30)	Families (Age 30-60+)
SEGMENT SIZE	Large	Large
MATURITY LEVEL	Growth stages	Maturity stage
PURCHASING PRACTICES	Low- medium users	Medium to frequent viewers

Table 8: *Target market of Nirala Sweets*

As the segments of the company have been defined the next step is to identify the needs generated by the segment which the company is trying to fulfill through its products. Nirala through its operations trying to cater to all the possible needs generated.

The market Segment analysis is done by AIOD framework.

Segment Needs	Activities	Interests	Opinions	Demographics
Taste & Quality	Family, Business, entertainment	Food, news, entertainment	Brand Loyal, cultural orientation,	Age: 20+ FLC: single, married
Pride On Occasions	Active participation in social activities, fashion, corporate sector	Differentiate themselves from others through the selection of exclusive products, trend setting	Exclusivity, Brand Knowledge, Brand Loyal, cultural orientation, image conscious	Age: 25-45 FLC: single, newly married, full nest
Customized product/packaging	Family, entertainment, fashion, fun	Trend setting, creating a difference in what they do, value addition, creativity	Image conscious, brand knowledge, self accomplishment	Age: 20-40 FLC: single, newly married, full nest
Product Variety	Home, job, professionals	Recreation, adventure, business	Themselves, friends, family	Age: 28-45 FLC: newly married, full nest
Sugar free sweets	Business or working class, sports, socially active	Health consciousness, diabetes etc	Health and hygiene, enjoyable healthy life	Age: 28-50 FLC: newly married, full nest

Table 9: Consumer Profiling- AIOD Model of Nirala Sweets

6.4 Ansoff's Matrix for Nirala Sweets

To survive in the business world it is very important for an organization to have a clear direction and focused future prospects. In order to deliver a clear scope of the business, Nirala have to develop a comprehensive growth plan for future development. The growth plan consists of various strategies which would be adopted by the organization to expand its business. These strategies are adopted from Ansoff's Grid as business is planning to position itself into two quadrants of Ansoff's Grid. (This matrix depicts the strategy adopted by an organization against the variables Market and Product). The strategies which are red encircled are the ones which Nirala is, and will be focusing on.

Product \ Market	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

Figure 10: *Ansoff's Matrix for Nirala Sweets*

i. Product Development

Product Development strategy focuses on the new product offers to an existing market. This strategy will help the company to achieve growth in the different markets it is operating in through product innovation and brand extension. Nirala Sweets will be offering more variety and differentiation of products in all operational areas to capture more target audience in the existing market. As initially it started of with as a halwa puri

shop which later developed to mithai shop and now has introduced namkeen snacks and as told by the marketing manager they are planning to introduce more products like mineral water and other snacks. This would help the company to enhance its customer base as new and innovative product world gauge the attraction of new customers along with the existing one. These services will also provide Nirala sweets competitive edge in the mithai and sweet industry.

ii. Market Development

This strategy focuses of entering into new markets with existing products. To gauge maximum out of the potential markets, it is decided to capture the other geographical markets of Dubai and England. This would help Nirala to explore new markets through new customer base. The markets of Dubai are very lucrative and people there have built an aptitude for such sweet products. Dubai is becoming the hub of all industrial units and lifestyle of people living there is continuously changing and flourishing, so it could be a very lucrative market for Nirala

6.5 Nirala Sweet's 7-S framework of McKinsey

The 7-S framework of McKinsey is a Value Based Management (VBM) model that describes how one can holistically and effectively organize a company. Together these factors determine the way in which a corporation operates.

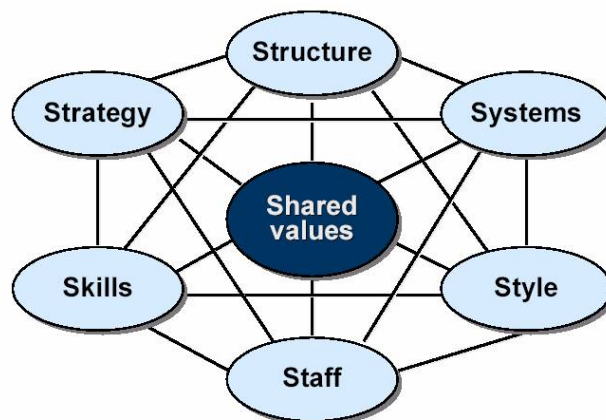


Figure 11: McKinsey 7-S Model

6.5.1 Shared Values

Nirala has a set of core values on which every activity of the business is done. These core values, known as the spirit of Nirala within the organization have not changed over the generation. These values were and still are what makes Nirala the market leader

- Integrity
- Innovation
- Continuous Improvement
- Team Work
- Social Responsibility

6.5.2 Strategy

The strategy which Nirala focuses on is to make Nirala a recognized and global brand, recognized for its uniqueness through out the globe. They also strive to be innovative and offer unique products and interesting concept utilizing the best of their resources. To reach this goal Nirala is undergoing fast growth and this aggressive growth strategy is taking them towards their goal. The opening of international outlets in Dubai and Sharjah has formed a gate way for Nirala to reach its goals. To make its product more relevant to the Middle Eastern market, it has experimented with the local favorite product ‘Kajju Katli’ in Dubai. To realize their goal of a successful brand, they are also following the strategy of customer retention by providing customers with a pleasant experience

6.5.3 Structure

The following structure represents the organizational structure of Nirala. Since it’s a family owned family, Mr. Faisal Farooq, who is from the third generation of the entrepreneur, runs it. Nirala is following a functional structure and there exists different specialized departments. Different departments includes departments such as management, marketing, sales operations, production, R&D, Supply and distribution, design division and accounts & MIS.

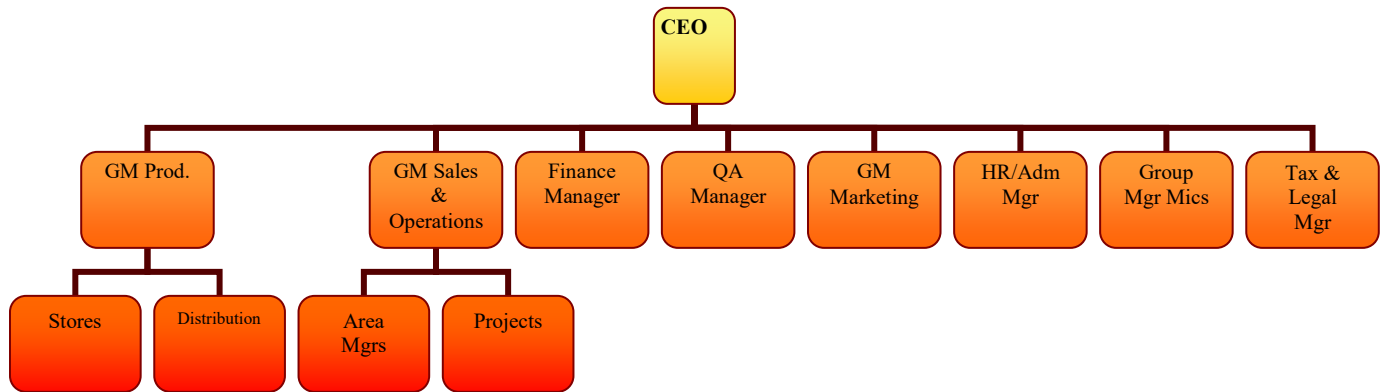


Figure 12: *Organization Chart of Nirala Sweets*

6.5.4 System

The organizational system focuses on innovation and technology development. Strict quality procedures are observed and each product is brought to the market after careful quality evaluations. The development of the MIS has integrated the whole organization and has enabled managers at all levels to keep themselves informed. The lengthy and tiresome manual paperwork has been eliminated. The data from sales to employee attendance is available on their websites and can be accessed by all managers at any time. The information is updated on the regular level. The data gathered about customers has helped them to know about the demand and changing trends of the consumers. It has thus helped them to cater to their customer’s needs. Nirala has achieved better coordination and flow of information in the presence of Internet enabled system across all outlets of Nirala.

6.5.5 Staff

The staff of Nirala Sweets comprises of professionally trained, high quality, motivated workforce, “working as a team” in an environment, which recognizes and rewards

performance, innovation, creativity, provides personal growth and development. Nirala Sweets endeavors to achieve higher collective and individual goals through teams.

There exists a separate training department within the Sales and Operation department. This training department is responsible for training all the employees to product awareness at all levels. The staff as already mentioned is highly qualified and professionally trained. The MIS department that has entirely changed the internal operations of Nirala, has graduates of LUMS working for them. Similarly people having sound educational backgrounds and experience have been hired in other departments too.

6.5.6 Style

The management style of the organization is very interactive. Though there are number of departments, but they interact on regular basis to come up with innovations and technology development.

6.5.7 Skills

The Nirala team consists of dedicated professionals such as MBAs, CAs, Food Technologists, Graphic Designers, who are always in quest of exceeding of latest products and work practices. The Nirala team is a select group of highly motivated professionals who reflect the highest levels of accomplishment in the industry. Together, they form a collaborative and cohesive group, which delivers the best products and customer service.

With the passage of time, Nirala is eliminating the manual work in the production of its Sweets. For that purpose, it has imported machines from Japan. Since, they are the only Mithai makers that are extensively using machines for mass production of Mithai, the lower staff at the machines has to go through on-job training because of lack of any previous exposure to these machines. These workers are trained about product quality, the raw material used and about the shelf life of the products etc.

6.6 Value Chain Analysis:

The Value Chain is a systematic approach to examining the development of competitive advantage. It was created by Micheal E. Porter and is presented in his book, *Competitive Advantage* (1980). The chain consists of series of activities that create and build value. They culminate in the total value delivered by an organization. Following is the graphical representation of Porter's Value Chain on the basis of which Nirala is being analyzed to get an in depth knowledge of its procedures and value creating activities.

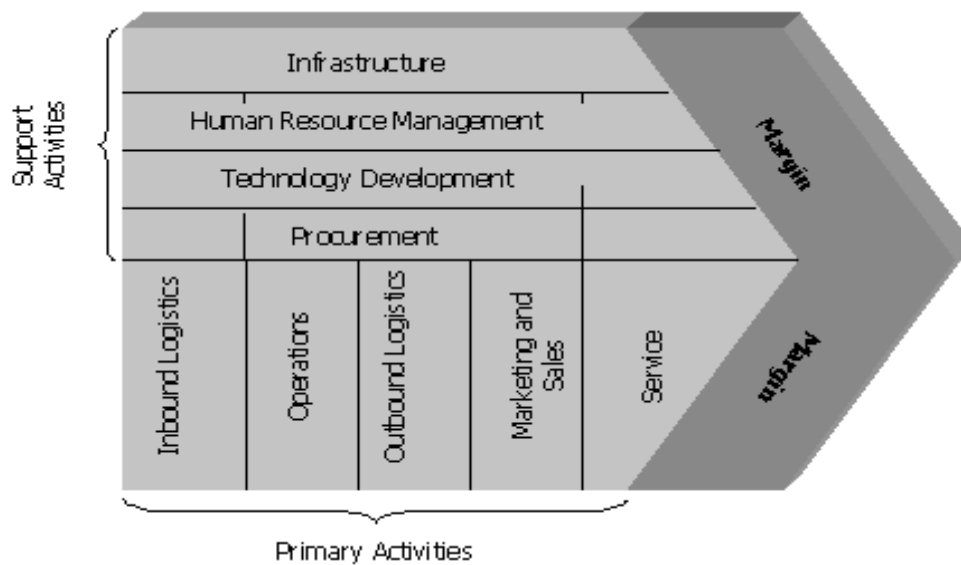


Figure 13: *Value Chain Model for Nirala*

Primary Activities

Primary activities are those activities which are directly associated with the development of the product. The detailed analysis of the primary activities at Nirala is described below.

Inbound Logistics:

Inbound logistics concerns the receiving of goods and raw material from the suppliers. The raw material for Nirala Sweets Include Khoya (produced from milk), milk, desi ghee, sugar and sweeteners (in form of liquid and powder), nuts and permitted food colors. Nirala had been buying its raw material from the local trading companies for the past many years. But since, it has diversified in the dairy products as well; it uses its own products as raw material for Mithai.

Nirala emphasizes on quality and claims that no other mithai can match their taste. Though now all the raw material comes from in-house produced products, milk is still collected from the market because they have no backward integration and they do not own their own farms. To ensure the quality of the collected milk, the Quality Control Department tests it and then sends to be treated as UHT milk. Khoya, desi ghee and butter are all the products of milk that are used in the process of making mithai. Only imported and authentic permitted food colours are used for Mithai.

Operations:

Operations include the actual Mithai making process. All the Mithai that is available across all outlets of Nirala is made at one central location at Lahore. It is done to ensure the quality and consistent taste of mithai everywhere. The process of making mithai has been automated with the introduction of customizes machines imported from Japan. Some of the procedures are still manual because of their delicacies and complexities. The secret of Nirala's mouth-watering delights lies in their recipes. Nirala owners' have been very fond of traveling abroad. So on their way back, they also bring in new and exotic ideas and recipes to be included in their list of products.

The entire batches of mithai then undergo another quality check. The representatives from the quality control department check the quality mithai against checklist devised at

Nirala. If mithai doesn't meet the defined standards, the whole batch may be rejected. The following is the chart showing the shop operations of Nirala sweets.

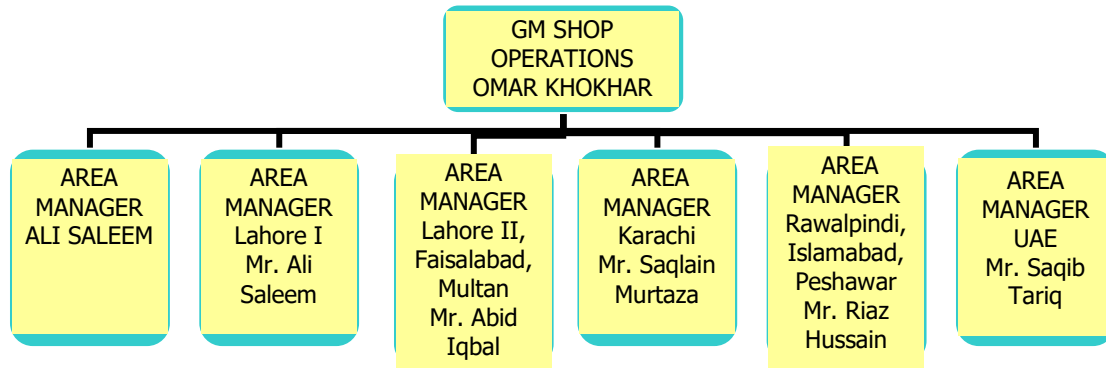


Table 10: *Shop Operations of Nirala Sweets*

Outbound Logistics:

Outbound Logistics is the means of taking the final product to the final consumer. When the production of mithai is completed at the factory located in Lahore, it is then transported to its desired cities. The mithai is transported in air-conditioned vehicles so that when they reach their destination, they are fresh and meeting standards of quality. This mithai is also transported to international outlets through air consignments.

Marketing and Sales:

Nirala has established large number of outlets across different cities of Pakistan and UAE to be able to reach its target customers in an appropriate manner. For that purpose it has divided the country into three zones and an international zone.

- a) North Zone: outlets in Peshawar, Rawalpindi and Islamabad
- b) Central Zone: outlets in Lahore, Faisalabad, Sialkot and Gujranwala
- c) South Zone: outlets in Karachi and Multan
- d) International Zone: outlets in Dubai and Sharjah

For each of these zones, Nirala has hired Area Managers to look after these outlets and to coordinate with the head office.

Because of the budget constraints, Nirala is not heavily into traditional marketing. However, in addition what they widely do can be called as guerrilla marketing. They are into sponsoring sports events at the local level. The sports include Cricket, Hockey, and Baseball etc. The basic strategy behind sponsoring these games is the strategy of penetration into the lives of young people, who at this stage might not be too interested in buying mithai for themselves. However, the name would become part of their evoked set and whenever making a purchase at the later stages of life, they will consider Nirala Sweet as a preferred choice. Nirala also participate in different exhibitions and put up their stalls there.

Nirala is marketing itself in two ways for two different segments of their customers. To attract the youth, it has created a very young and lively image. This image is being promoted through the use of different cartoon characters especially named after the products. It has been a wise decision on the part of their marketing team. The children are exposed to too many options now days. The Pakistani markets are flooded with wide range of chocolates and ice creams and they have become children's and adult's favorite alike. So by creating the image that will attract the youth, they have tried to tie the Pakistani youth to the traditional delights.

On the other hand, Nirala has also created a solemn but cheerful image by providing its most valued customers with wide range of mithais and customized packaging. Nirala provide its customers to experiment with the packaging and to create the package according to their own desires. Also it has created different packaging for different occasions to cater to large number of customers. All the outlets opened by Nirala are wholly owned. Despite being getting a lot of offers from private investors to give out their franchises, they have not agreed to it. Nirala believes that this way they will lose the

complete control over the outlets and the experience they provide at outlets adds to their competitive advantage over its customers. And also they don't want to disappoint their customers and wants to retain them and build a long-term relationship. Nirala also has developed some corporate clients. Few of the names include Bank Al-Falah, Toyota, Schlumberger, Mobilink, Union Bank etc. Nirala has designed individualized packaging for each of their corporate clients.

Service:

Nirala is providing a unique and friendly experience at their outlet, so that when customers leave they are satisfied customers. At Nirala, they have standardized their layout of outlets so that customers feel at ease visiting any of their outlets anywhere. The aspect of service is described in detail in the **customer service** section of **brand audit**.

Supporting Activities

Following is the detailed analysis of the support activities

Procurement:

The procurement of the raw material is mostly done through the parallel suppliers i.e. they have two or more suppliers of milk available at all the time so that if one of the suppliers is unable to fulfill the demand of Nirala, they have a backup supplier to consistent production. Rest of the raw material is produced in house under strict quality instructions. The sugar and sweeteners are both purchased from the market. The sugar is used in the traditional mithai and for the people who are health conscious or cannot use sugar, for them mithai is made with artificial sweeteners.

Technology Development:

With the passage of time, Nirala is becoming more and more technologically advances. Not only have they imported machinery from Japan to convert the manual process of making mithai into an automated one, they also have done R&D in terms of increasing the shelf life of their mithai. They have been successful in doing so and their mithai is provided to all outlets across Pakistan and abroad through one central location i.e. Lahore. Also they keep on experimenting with new ideas and exotic recipes to come up with newer products that no one in the industry can come up with hence, staying ahead of their customers.

Human Resource Management:

The issues pertaining to Human Resources Management have already been discussed in the Staff and Skills section of 7-S Framework.

Firm Infrastructure:

The firm has a functional structure already discussed in Structure section of 7-S framework.

6.7 BCG Matrix Analysis

BCG matrix is a matrix in which they company can identify the strength of its different products in the portfolio. Also it can be used for different companies to see which company falls under which category and whether the business of that company is profitable or not. The matrix has two dimensions, market growth and market share. Based on these dimensions value is assigned to different attributes important to position the brand. Following are the calculations and representation on Nirala and its few competitors for the BCG analysis.

		Attribute	Weight	Rating (1-5)	Value
Market Share	Nirala	Brand Awareness	0.25	3.5	0.875
		Availability	0.2	3	0.6
		Quality	0.2	3	0.6
		Exterior	0.1	4	0.4
		Marketing & PR	0.25	4	1
		Total	1		3.475

		Attribute	Weight	Rating (1-5)	Value
Market Share	Jamil	Brand Awareness	0.25	3	0.75
		Availability	0.2	3	0.6
		Quality	0.2	2.5	0.5
		Exterior	0.1	2.5	0.25
		Marketing & PR	0.25	4	1
		Total	1		3.1

		Attribute	Weight	Rating (1-5)	Value
Market Share	Fresco	Brand Awareness	0.25	3	0.75
		Availability	0.2	3	0.6
		Quality	0.2	2.5	0.5
		Exterior	0.1	2.5	0.25
		Marketing & PR	0.25	3	0.75
		Total	1		2.85

Table 11: BCG calculation of Nirala Sweets and its competitors

Based on the evaluation in the BCG matrix show like this:

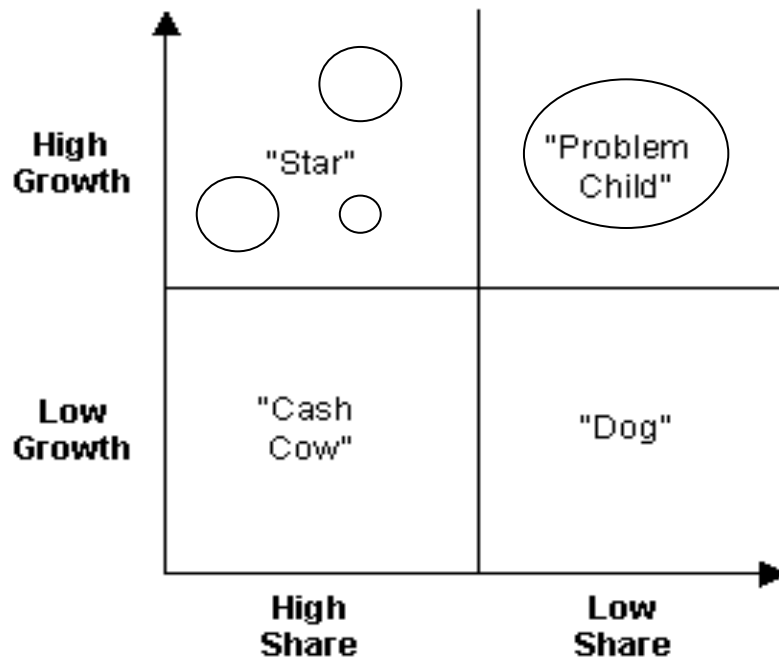


Figure 14: BCG Presentation

The Respective BCG Position

No.	Brands	The Respective BCG Position
1	Nirala	☆
2	Jamil	?
3	Fresco	?

When we talk about the market growth of the industry we certainly see that the growth ratio is high and there is opportunity for all the players but only Nirala was able to cash it letting to have a higher market share than the rest. If we plot Nirala on the BCG Matrix, it is definitely a Star. It has not only the largest market share of its target audience but it has

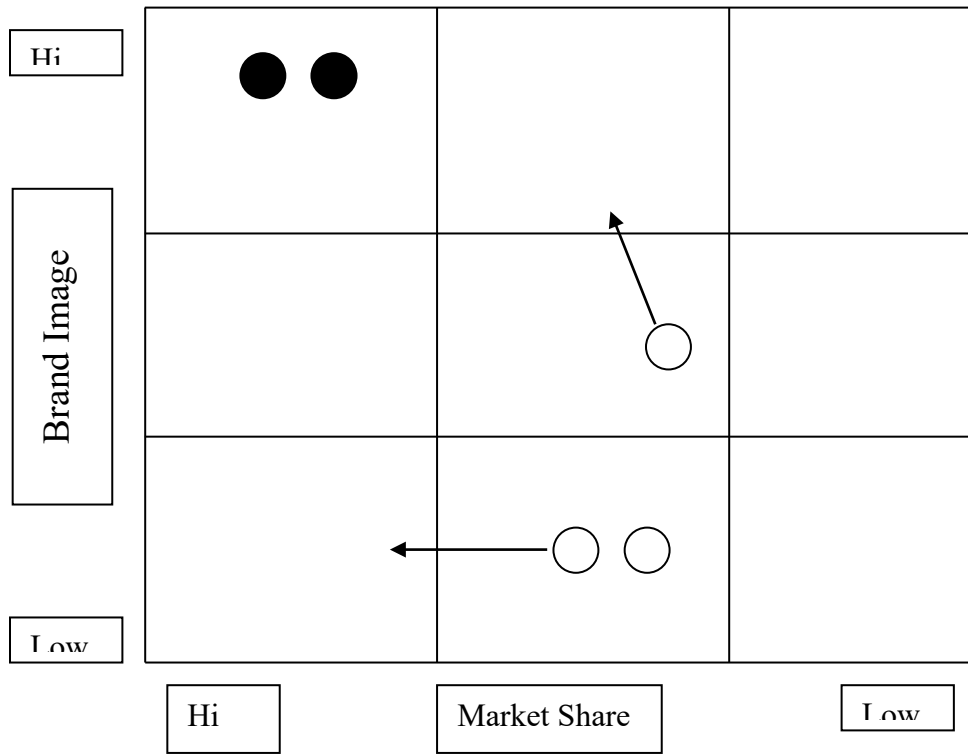
shown phenomenal growth not only in terms of opening Nirala outlets one after the other in various cities, it has also diversified itself in dairy products, Snacks and has opened up a restaurant. Market share can also be determined by the fact that Nirala is the official mithai provider of many prestigious organizations who take pride in associating them with Nirala. The dealing with corporate sector is significant because they hold a large share in the total Nirala's earnings. It is thus a Star in its core business, all others diversifications are still to be proven.

6.8 Brand Portfolio Matrix

One of the most intriguing questions in strategic brand marketing is the “positioning path” over time that a new brand should proceed along to reach its long-term desired position. Its powerful simplicity is so compelling that the brand managers took to it “like wildfire”. All new brands start off from a “*Starter Brand*” position (low volume sales/low brand image strength) and move towards the higher ones. So Nirala Sweets is as mentioned previously is the market leader with high market share and brand image. As far as the future moves are considered, the company wants its products to go to the *Mass Products*” (high volume sales/low brand image strength).

Brand Portfolio Matrix Moves

However the products of competitors are expected to move horizontally right to left. This requires strong emphasis on volume building and good promotional campaigns.



- Our brand now Nirala
- Our competitor's brands now

Figure 15: *Brand Portfolio Matrix of Nirala Sweets*

CHAPTER 7: CONSUMER'S PRESPECTIVE

What makes a company going and operative in the Market?

It is the competition... However the competition is based on the consumers. If there are no consumers, then what would be the grounds of competition? Every company is trying to build its impression and recognition with the consumers because the more consumers to get the more you get the share in the market.

In order to evaluate the position and the standing of the brand Nirala apart for the researcher's perspective, the consumer perspective is also taken into account. This would further assist the researcher's evaluation of the brand and for the further analysis of the brand of Nirala sweets.

7.1 Consumer Decision Making for Nirala Sweets:

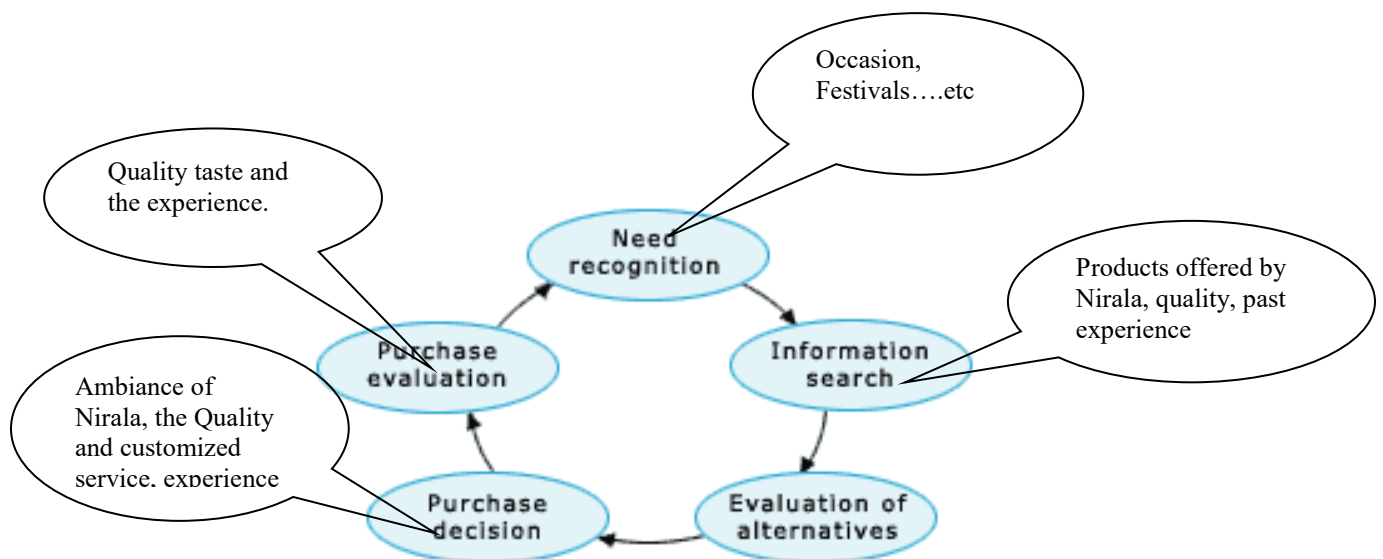


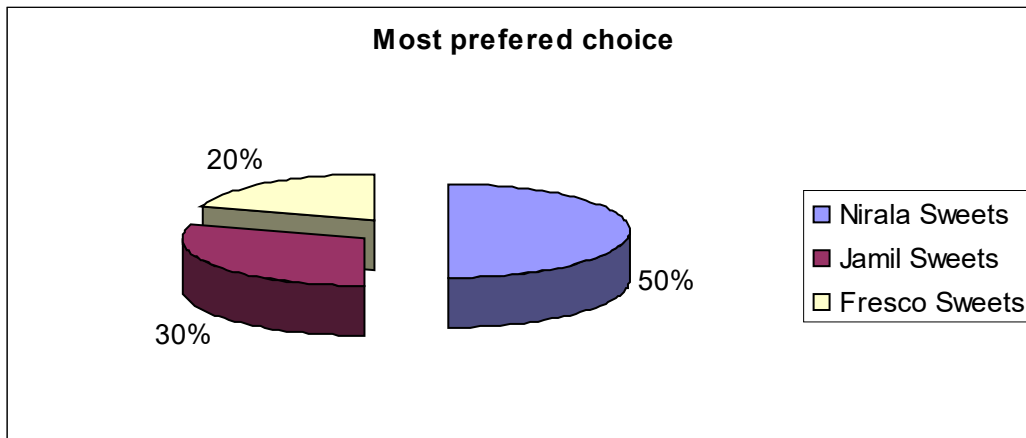
Figure 16: Consumer Decision making process for Nirala Sweets

The above figure gives a snapshot of the decision making process for the purchase of Nirala Sweets. The process would be different for the middle class and the upper class. For the upper middle class it would be a less frequent than the upper class because of the difference in the availability of disposable income. The need of segment 1 would arise at a very special occasion such as wedding or birth of a child and etc. However the need for segment 2 would be on regular bases and to feel important and special and purchase and consume the products of Nirala. Latter would follow the information search that what Nirala is offering this would include all the brochures highlighting the products of Nirala. The website of Nirala sweets will also help the customers to get to know about the unique products and packaging. In edible products the word of mouth plays an important role in convincing people to try or go for a particular product. In case of Nirala sweets the word of mouth is very positive helping the potential customers to make a purchase decision. Then customers will compare Nirala with what the competitors are doing and because of Nirala's unique selling proposition and effective and efficient delivery of service, and skilled personals customers will ultimately buy its products. Because of the quality and taste of the products, the uniqueness, the pride and effectively delivered service the purchase evaluation will lead the customers to buy the products again. The decision cycle would not be a long one because the class Nirala is targeting is more attracted towards brands, quality and uniqueness and Nirala is fulfilling all these needs.

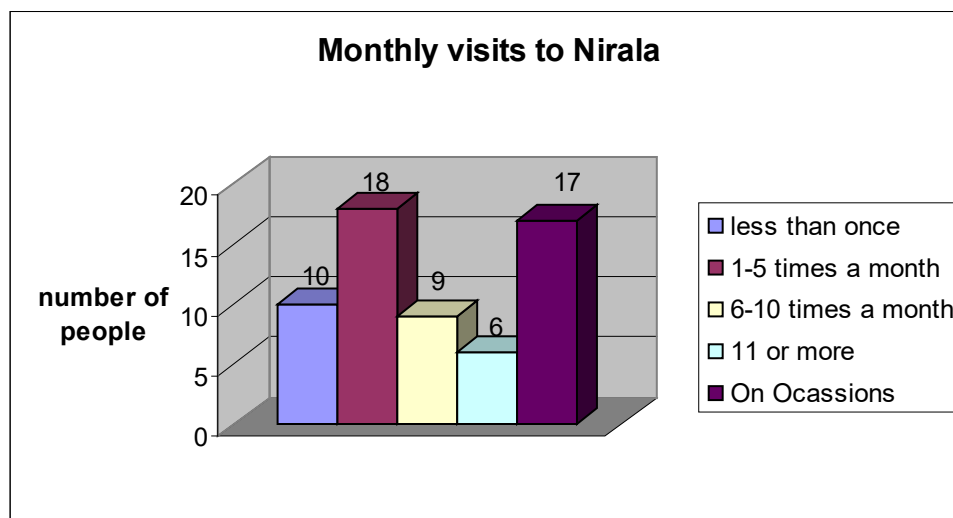
7.2 Consumer Survey:

A close ended questionnaire has been developed to ask the consumers what they feel and know about the brand and what are the trends in their consumption patterns and what is their decision making process towards the brand. This survey is also done to explore and recommend what should be done further to enhance the brand of Nirala Sweets. For this purpose a sample of 100 respondents were taken but unfortunately because of the uncooperativeness only 75 respondents gave answers to all the questions in the questionnaire. The target audiences comprises of both females and males in the age

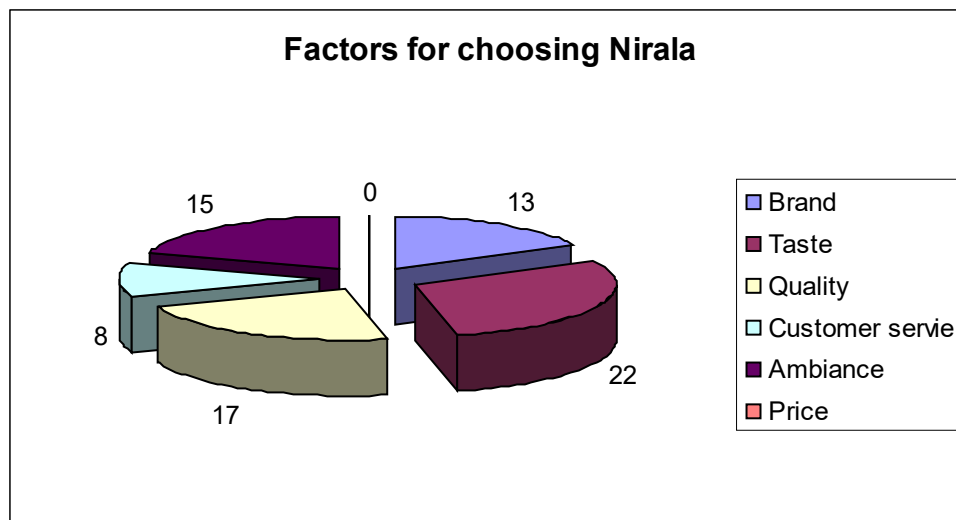
bracket of 18-60 because these people have more influence on the purchase decisions. Also the survey was conducted from the middle and upper income groups of people. The analysis of the questionnaire is given below:



When asked from the consumers if they have to choose among the three, Nirala, Jamil and Fresco, which would they like to go for? The response is depicted in the above graph. The results clearly indicate that people’s first choice is Nirala. They want to be associated with the brand because of its popularity and the uniqueness. However, even if the first choice is Nirala some people might not purchase Nirala’s products because of the fact of being high priced. Therefore the next preferred choice is Jamil Sweets. Jamil Sweets is also flourishing and have many outlets in major cities of the country. It also makes quality products but lack the uniqueness which Nirala has.

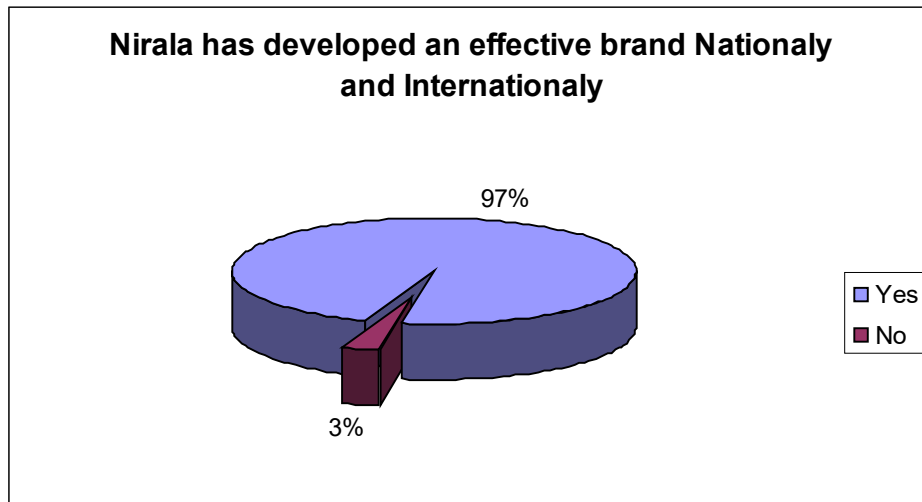


The above chart is representing the number of visits our respondents pay to Nirala Outlets in a month. The chart significantly indicates that the highest number of people that is 18 responded that they visit and purchase Nirala's products 1-5 times a month. This may be because of the reason that when people socialize they take Nirala's products as gifts and in today's busy world people only go to other places only on weekends each month. Secondly, a large part of the sample also responded that they only go to Nirala and purchase its products on occasions, it may not be monthly but throughout the year. This factor identifies that on occasions people want to show off and do their best so they buy the products from Nirala as it is a unique brand.

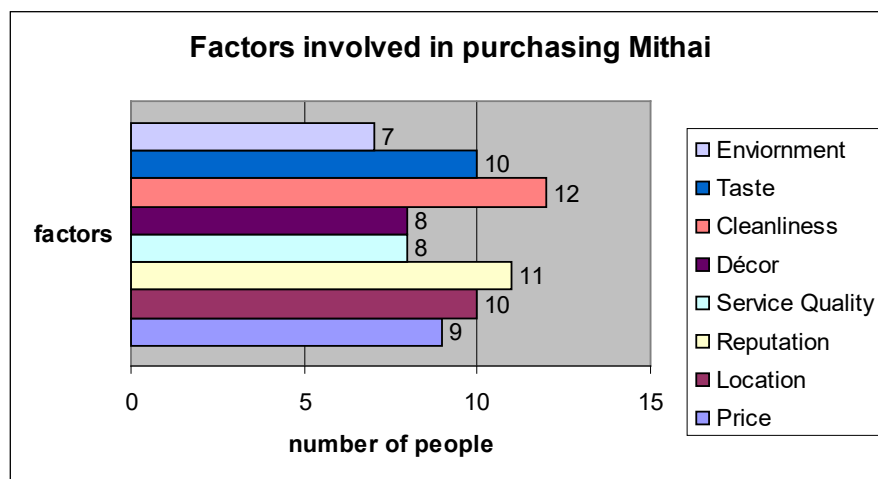


The next question was on the basis of which factors do they purchase Nirala's Products. Some options were given to them. Many people responded differently. Out of the sample of 75 people 22 of the respondents answered that it is the taste of the products, the unique mouth watering experience make them purchase Nirala's products again and again. 17 of them responded that because of the quality Nirala offers to its customers they get attracted towards the product. However, ambiance was also an important element in purchasing the products from Nirala. Nowadays people do not want to opt for dull and unattractive stores and retail outlets, they want something different and unique and this is a distinguishing factor which Nirala has over the rest of the players in the market. All

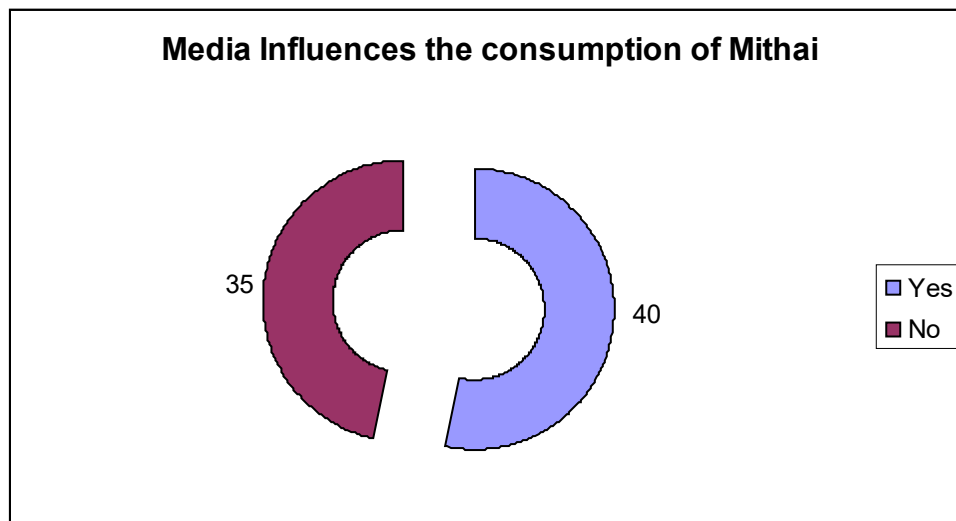
the elements combined make the brand. Out of the total sample size 13 of them answered that it's the brand itself which they purchase.



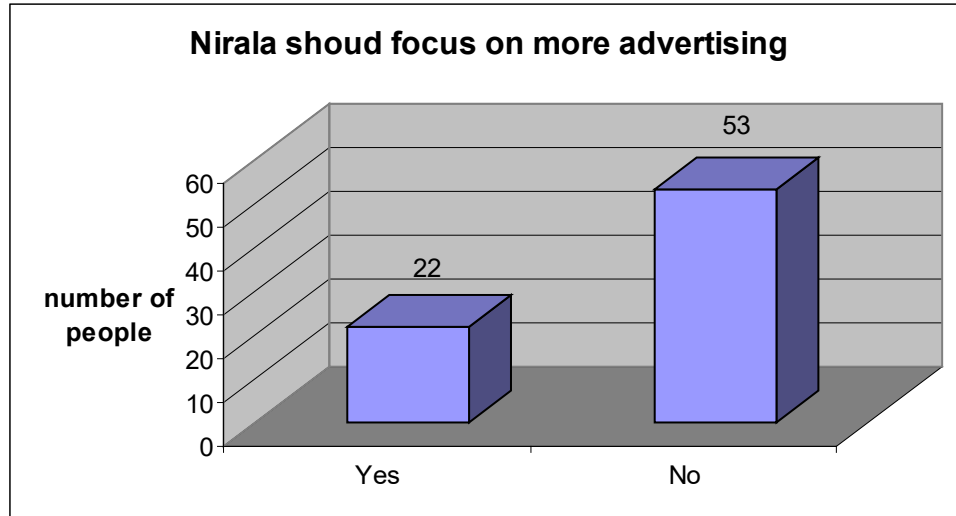
This graph is drawn to see the response of people that whether Nirala has effectively developed its brand nationally and internationally. No doubt about it 97% of the people responded that it has. This is also because of the reason that no other Pakistani Mithai manufacturer has so far reached this level and has expanded in the international market. Nirala has now become a brand and has the power to manipulate the price structures leaving the bargaining power of buyers at a lower end. People now want to associate themselves with brand and not with products who have no identity. However there were about 3% people who responded that Nirala still has to do more to be recognized as a brand.



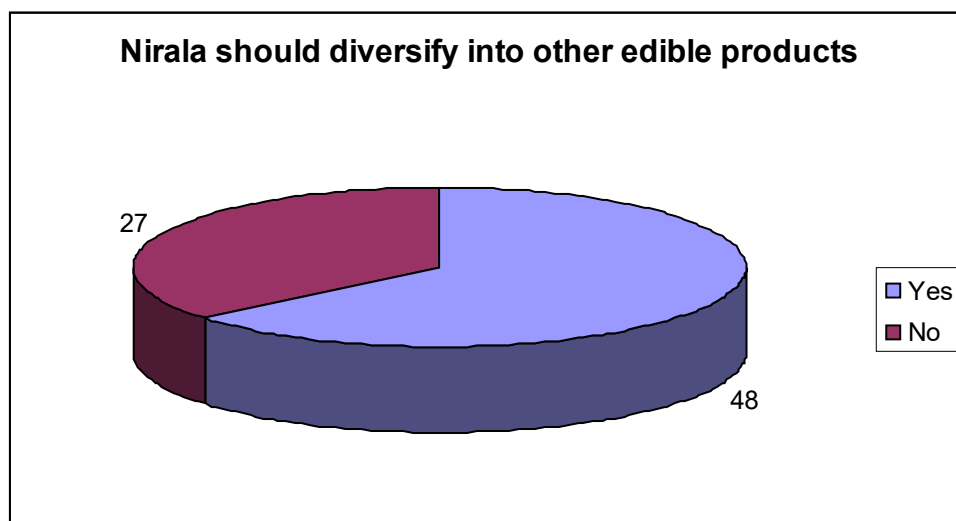
It was important to know that what factors people consider before they go out to purchase sweets and mithai. It is the taste no matter how dirty the outlet is or is it the reputation or the quality. For this purpose a list of options was given to the respondents to determine their preferences. Many respondents have more than one answer as they required more than one element for the retail shop from which they would want to purchase mithai. The largest number of people (12 respondents) out of the sample size opted for cleanliness. As they were of the view that a place for edible products should be clean. Another important factor which the customers highlighted was the reputation of the brand (11 respondent opted reputations). From this we come to know that the reputation of the company plays an important role. Other elements important in this regard are highlighted in the above graph.



Most people, approximately 40 respondents are of the view that media has a great influence on the type of product they consume. They believe that they get to know about the product from the advertisements and get attracted towards it or they become a part of their evoked set and ultimately top of choice products and such products which are advertised have a good reputation. Same is the case with the consumption of mithai. However the rest of the respondents were of the point that when a brand has established itself and has sound name in the market it does not need to advertise and people will still go for that brand and media will not influence their consumption



More than half of the respondents (53 people) responded that Nirala should not focus on advertising as they already have an established brand and even if they don't advertise people will still go to Nirala. They were of the view that companies which advertise more they don't have a strong brand name. Here we see that there is a contradiction between this and the last question. As people said that media has an influence on the consumption of mithai. Therefore we can analyze that this is not the case for strong brand names and Nirala is one of them. However some people were of the view that Nirala should advertise to spread its name awareness.



With respect to the above question those who answered that Nirala should go for diversification were of the view that Nirala has an established brand so it has this opportunity to cash upon that and expand its product line and offer new products. For this what Nirala would have to do is to maintain quality and standard of its products. People who said that Nirala should not diversify they had this point that this has the potential for Nirala to lose focus and many companies who have diversified they had to compromise on their quality.



When asked from the consumers that what do they feel about the choices available to purchase mithai in the market of Pindi and Islamabad. Many people were of the view that there are many few options available which have quality mithai and a good reputation in the industry. They answered that though many there are many small non branded manufacturers of mithai present in the market but they do not provide the quality thus limiting their options. However some people commented that options available to them are high they believe that many mithai providers are there in the market and they can chose from them according to their need and requirement.

CHAPTER 8: CONCLUSION

You say you're ready to build a brand. How are you going to choose among the different techniques and strategies and how to position yourself? whether to place your ad in the local newspaper or a national magazine? Why not do a radio spot or place a banner ad on a related company's website to make your brand more prominent and vibrant? Do you believe that simply placing an ad in the newspaper or a commercial on the radio will make the product a branded one and drive customers to purchase the product or service? Or does your business have a well-developed marketing and branding strategy?

The branding strategies you implement with your advertising plan will depend on the length of time your products/services have been on the market, how you've chosen to position your business, the message you wish to send, and the media you'll use to send it. Branding your product will keep your product or service in the public's eye by creating greater awareness over time. Defining your target market in terms of demographic, geographic, psychosocial characteristics will be the single most important factor in selecting which strategy to use and how to position your brand.

So it can be concluded that branding is an integral part in promoting a product or a service and special considerations should be taken in order to identify the right factors that are what the target audience really is what do they want in your product and how are you going to reach them. Branding techniques are only effective when the minutest details about your target market are identified. Brands are not made just like that, they need consistent effort and hard work to

set an impression in the minds of the consumers. Its not just the positioning its also the customer service, the differentiated element, the management of the company and how it carries the operations.

In Pakistan, branding and advertising has undergone many upgrades and bypasses. Today, it is perhaps in its most dynamic and impressionable phase. The industry has kept up with the times, and the advent of international standards has forced it to wakeup to the reality of improving of the quality of message and the production. However, there is always room for improvement and one can't really sit on ones back side in way to follow others who take the lead.

Thus we can conclude that Nirala has been practicing effective and unique branding techniques which is consistently having and will be having an impact on the target audience and affect the buying behavior of the customers. This will result in better and wide distribution of the product leading to an increase in the sales of the product not just nationally but also internationally. The quality and the service which they are providing are making the brand reliable and give a consistent image of the products. However there are always some difficulties in developing and if developed than maintaining the brand image, but so far Nirala Sweets has been successfully able to do so.

CHAPTER 9: RECOMMENDATIONS

After analyzing the different perspective of viewers or consumers and also through the carefully conducted analysis by the researcher about the different elements involved in making the brand for Nirala the researcher recommend few options available to Nirala to manage its brand and to further enhance its image for its survival and sustainability in future.

- The Indian market no doubt has a better infrastructure and hence producing better quality-oriented mithais and other products and they have managed to build a better position for their products in the international market. Nirala Sweets can also improve their quality of productions through effectively managing their resources and using quality ingredients and state of the art technology. Nirala however has been able to sustain this quality but need to stay in focus about the changes in the market and needs of the customers.
- No one is born a genius and every individual and organizations need to have training to enhance their skills and develop expertise so that the planning process for the media development is effective and results in increase in distribution and sales which is the main focus of any company. Foreign institutions may train the employees at critical positions, or the employees should keep on having updated education and knowledge so that the level and quality of can be increased and the Nirala products can be made compatible with the global markets.

- The process should be a step by step approach rather than a haphazard process. When the planning is undertaken in a systematic procedure there is less likely that an error and wrong step is taken. When a company is making branding techniques they can wrongly identify the market segment and choose such vehicles which are not compatible with the customer's characteristics. This will result in a waste of resources and loss of the market share as well. There it is recommended that the planning process be patiently and systematically designed and implemented. Nirala so far has been consistent and making incremental steps but for this year 2006 they have made plans for rapid expansion in the international market and also diversifying into new products so they need to test market first as this can destroy they whole image of the well developed old brand name as well.

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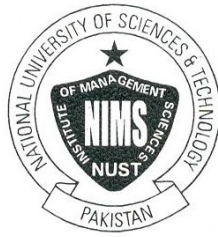
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Questionnaire

Title: Variables affecting the Brand of Nira Sweets

(This survey is being carried out by a student of NUST Institute of Management Sciences to analyze the influence different factors affecting the brand of Nirala Sweets. Besides the influence of income and age, the researcher also wants to see what effects do the other variables like occupation, social circle; physical disposition and gender have on the purchasing practices)

Instructions:

- Please tick one option for each question, unless otherwise specified.
- Please answer all the questions.

1. Age:

- 18 – 27 years 28 – 37 years 38 – 47 years
 48 – 57 years 58 years and above

2. Gender: Male Female

3. Which Income Group would you place your family in?

- Rs. 0 – 40,000 Rs. 41,000 – 80,000 Rs 81,000 – 120,000
 Rs. 121,000 – 160,000 Rs. 160,000 – 200,000 Rs. 200,000 +

4. What is your Occupation? _____

5. Which would you rather prefer?

- Nirala Sweets Jamil Sweets Fresco Sweets

6. How often do you go to Nirala Sweets?

- Less than once a month 1 – 5 times/month
 6 -10 times/month 11 or more times/month
 On occasions only

7. Why do you usually prefer Nirala Sweets?

- The Brand Taste Quality Customer Service
 Ambiance Price
 Others (please specify) _____

8. Has Nirala effectively developed its brand nationally and internationally promoting the Pakistani culture?

- Yes No

9. What factors do you take into account when you select a place to purchase methai?

(You can tick more than one option)

- Price Location Reputation
 Service Quality Décor Cleanliness
 Environment Taste Others (please specify) _____

10. Do the media influence the type of methai you consume?

- Yes No

14. (b) How? _____

11. Do you think Nirala Sweets should indulge into more advertising and promotion?

- Yes No

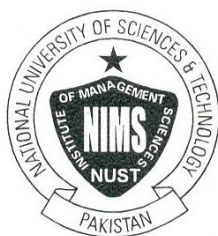
12. Should Nirala Sweets diversify into other edibles items?

- Yes No

13. How would you rate the number of choices available in Islamabad/Rawalpindi for purchasing methai?

1 2 3 4 5 6 7 8 9 10
Very Few Very large

14. While purchasing methai, I am most irritated by and annoyed by/when



Questionnaire

Title: Factors Involved in the Brand of Nira Sweets

(This survey is being carried out by a student of NUST Institute of Management Sciences to analyze the influence different factors affecting the brand of Niral Sweets. The questionnaire which provided a basic guideline during the different visits to Niral officials is as follows.

Q. When you came up with the idea of branding Niral did you even envisage how successful it would be?

Q. What was the main inspiration behind Niral?

Q. Your prices are higher than others in the market; do you think someone can take up your share if they invest in image building and branding but keep their prices low or at par with general mithai walas.

Q. How has been your response abroad?

Q. What is your strategy behind taking Pakistani mithai abroad; is it Pakistani mithai only or customized products according to foreign tastes as well?

Q. Where do you see yourself in the next decade? Future Opportunities.

Q. Tell us something about the history of the Niral family and the history of the brand itself.

Q. What made you take such a bold step in such a fragmented industry?

Q. What do you think played the biggest part in your success?

Q. How far do you think you can diversify with the name Nirala?

Q. Do you think you will be able to sustain in the long run because some one from the industry can use similar tactics and for how long you speculate the emergence of an equally powerful competitor?

Q. Who do you classify your main competitors as?

Q. Could you tell us briefly about your main products and those products you have diversified in?

Q. What is the marketing approach of Nirala in general?

Q. Where do you see Nirala as a brand today?

Q. What can you tell us about the current industry structure you are working in?

Q. What is Nirala's present market share and that of its competitors?

Q. Could you give us some promotional material and tell us something about the kinds of promotions and publicity Nirala is involved in?

Q. What about the advertising? Which mediums you use and with what frequency?