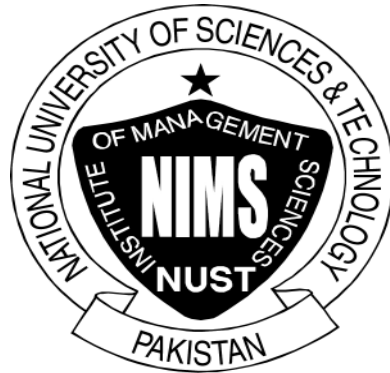# NUST Institute of Management Sciences

MBA RESEARCH THESIS

"Branding: A Make Or Break Story"

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Executive Summary

The process of globalization is demolishing the physical boundaries of the markets and fuelling competition. Now creation of brands plays an important role in achieving an edge over competitors. Economic interest in brands is a recent phenomenon all over the world especially in under developed countries like Pakistan. Brands are a focal point for all positive and negative impressions created by the buyers over time. It performs an economic function in the mind of the consumer and thus has a lasting and memorable effect on a company's activities. Successful global companies recognize that the source of their prowess in world markets is branding, and that investment in plant, technology and people is no longer enough to guarantee long-term sustainable profits. Branding has become a vital strategic issue for companies. In increasingly turbulent markets such as Pakistan's, brands are a key to customer loyalty, long-term survival and growth.

Brand management is a relatively new phenomenon and as such no elaborate guidelines exist for managing a particular brand. The monetary value of brands has been recognized only recently. Whether to include brands as assets on the overall Balance Sheet of a company is still a debatable point as the benefits arising out of building brands are largely intangible. Companies are now becoming increasingly aware of the actual potential of brands.

The present research study deals with identifying the true potential of creating brands and the manifold benefits that companies can gain out of it. A real time example of P&G's Hair Care segment for Pakistan has been taken to fully understand this issue.

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CHAPTER 1: INTRODUCTION

1.1 Significance of the Study:

For decades the value of a company was measured in terms of its buildings and land, and then its tangible assets (plant and equipment). It is only recently that companies have realized that its true value lies outside the business itself, in the minds of potential buyers.

The late 1980s marked a turning point in the conception of brands. Management came to realize that the principal asset of a company was in fact its brand names. The Economist magazine called 1988 the "year of the brand". It was the year Philip Morris took over Kraft in the US and Nestle bought Rowntree in Europe. Philip Morris paid four times the value of the target company's tangible assets and Nestle over five times. (Branding Asia.com, March 30th, 2003)

In 1988 just four brands were sold for US$50billion in the world. Such incredible payments for "names" were a reflection of the value placed on the brands in terms of long-term profit expectancy.

The trend has since continued and the power of brands to command colossal prices has become much more noticeable.

By paying very high prices for companies with brands, buyers are actually purchasing positions in the minds of potential consumers. Brand awareness, image, trust and reputation, all painstakingly built up over the years, are the best guarantee of future earnings, thus justifying the higher prices paid. The value of a brand lies in its capacity to generate such cash flows.

The first thing to recognize when one talks about brands is that they are not just names, terms, symbols, designs or combinations of these, although it is true to say that such things can and do differentiate certain products and companies from others.

The additional ingredient that makes a successful brand is personality. Today's leading brands are personalities in their own right and are well known in all societies and cultures as film heroes, cartoon characters, sports stars or great leaders.

There is, of course, a psychological basis to this, and the psychology behind brands really stems from Carl Jung's work where he described the four functions of the mind - thinking, sensation, feeling and intuition. (Jean-Noel Kapferer, 2000)

The secret to successful branding is to influence the way in which people perceive the company or product, and brands can affect the minds of customers by appealing to those four mind functions, or combinations of them. This is how it happens.

Some brands appeal to the rational part of a person, to the elements of logic and good sense (the thinking dimension) such as toothpaste, which prevents decay and cholesterol-free foods. Others appeal to the senses of smell, taste, sight and sound such as fashion and cosmetic products.

Some brands attract the emotional part of people appealing to the feelings' dimension to which consumers react with feelings of warmth, affection and belonging. Products such as Harley-Davidson motorcycles and companies like Benetton with its global village branding exemplify these.

Then there is the strange phenomenon of intuition. Some companies and products are attractive to people who intuitively feel comfortable with them, because they see these brands as an extension of themselves, a good fit to their personality, lifestyle, aspirations and behavior -- companies like the Body Shop, with its environmental approach.

Brands influence consumer decisions to buy in any of the above ways, or through combinations of them, sometimes with tremendous persuasive appeal.

Brands give consumers the means whereby they can make choices and judgments. Based on these experiences, customers can then rely on chosen brands to guarantee standards of quality and service, which reduces the risk of failure in purchase.

Many companies have forgotten the fundamental purpose of their brands. A great deal of attention is devoted to the branding activity itself, which involves designers, graphic artists and advertising agencies. This activity thus becomes an end in itself, receiving most of the attention. In doing so, they forget that it is just a means. Branding is seen as the exclusive prerogative of the marketing and communications

staff. This undervalues the role played by the other parts of the company in ensuring a successful branding policy.

Yet branding, which is now considered indispensable, is the terminal phase of a process that involves the company's resources and all of its functions, focusing them on one strategic intent: creating a difference. Only by mobilizing all of its internal sources of added value can a company set itself apart from its competitors. (Jean-Noel Kapferer, 2000).

1.2 Organization Background:

Procter and Gamble is one of the leading consumer goods companies in the world. Founded in 1837 in Cincinnati, P&G last year achieved US $ 40 billion in sales and US $ 4.2 billion in Net earnings. 110,000 employees produce, market and sell around 300 brands in more than 140 countries. The company's objective is to *"improve the lives of the world's consumers"*. To make the objective a reality, P&G offers innovative brands to five billion consumers around the globe. (www.pg.com, June 25th, 2003)

1.2.1 Purpose:

The purpose of the company worldwide is to provide products and services of superior quality and value that improve the lives of the world's consumers. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper.

1.2.2 Values:

"P&G is its people and the values by which they live."

P&G People

- Leadership
- Integrity
- Trust
- Passion for winning

Fig. 1.1

The following facts explain why the consumer goods giant is so successful:

1.2.3 Fundamentals to Win:

P&G's goal is simple - "to create the most successful global brands in every category everywhere we compete. And we have the strength to do it"

Today P&G has more leading brands than any other FMCG company in the world. It has strong relationships with its retail customers around the world. And innovative people continue to set industry standards.

1.2.4 Big Leadership Brands:

P&G's mega brands generate significant sales and hold strong leadership positions. Eight brands are global leaders in their categories. Ten P&G brands each generate over a billion dollars in sales every year - far more billion-dollar brands than any of its key competitors. The company has several other brands already in the market that it believes have billion dollars potential.

1.2.5 Superior Customer Relationships:

In a recent survey by Cannondale Associates, retailers were asked to rank manufacturers on a number of competencies. P&G was ranked number one in virtually every category.

- Clearest Company Strategy
- Brands Most Important to Retailers
- Best Brand Marketers Overall
- Most Innovative Marketing Programs

1.2.6 Innovation Leadership:

The quality of P&G people continues to be its most valuable asset and that quality is demonstrated by the innovation of the organization.

- More than 8,000 scientists and researchers are accelerating the pace of new product and technology invention
- P&G has a global innovation network of 18 technical centers in nine countries and on four continents.

- P&G holds more than 27,000 patents and applies for 3,000 more each year - or roughly 10 a day. In fact P&G is among the top 10 patent-producing companies in the world - well ahead of any other consumer products company.

Important innovations are not limited just to P&G's products. P&G people are active in every part of their business.

- P&G is a pioneer in the new Internet-based business models. Last year, P&G launched its initial Internet brand, reflect.com, the first to offer truly personalized beauty care products online. This venture is enabling the company to gain valuable experience in both Internet marketing and mass customization of products.

- P&G led the formation of a consortium of more than 50 companies to create a customer products industry market place called Transora. This business-to-business portal will enable companies in the industry to buy and sell more than $200 billion of supplies and services annually, and will result in substantial savings for P&G.
- With its own institution to teach Branding and Brand Marketing, P&G has created a well-trained marketing force, which is by all bets a force to recon with in the world.

It is clear from these examples that P&G - through the men and women who make up the company - is more than ever an industry innovator.

1.3 Procter and Gamble Pakistan:

Procter & Gamble started its operations in the country in 1991 when it launched Head & Shoulders and Oil of Olay in Pakistan. It is now marketing a range of consumer goods products including 13 brands comprising shampoos, detergents, soaps, baby care, feminine protection, Vicks and snacks products. Ariel is a market leader in the detergent category while in the shampoo category P&G leads with Pantene, Pert Plus and Head & Shoulders.

The company, serves over 5 billion consumers in 140 countries worldwide and markets more than 250 brands, produces bar soaps and repacks bulk shampoos and Pampers brand of diapers into sachets and smaller packs respectively at its Hub plant near Karachi.

Compared to its global operations, which employ over 106,000 persons worldwide and annual global sales of $ 40 million, P&G's Pakistan operation is relatively small and yet it has been successful to improve the lives of consumers here in Pakistan, like elsewhere in the world. It has served over 140 million consumers in Pakistan, which equals the entire population of the country since its operations 11 years ago. The company has made an investment of $ 6 million to triple the production capacity of its plant at Hub. "This is aimed at increasing the volume of the exports of our products, the quantity of which at present remains small from our plant in Pakistan." The company is exporting bar soaps manufactured here in Pakistan to Saudi Arabia, Yemen, Syria and Afghanistan where it is in great demand due to its high quality and competitive price.

Though P&G make over 250 brands worldwide not all the products are available in any one single market due primarily to strategic positioning of a product depending on the realities of a particular market.

P&G spends approximately $ 2 billion annually on research and its over 106,000 strong worldwide workforce include some 8,600 scientists including 1,200 PhDs. In addition it has some 27,000 patents, which can be developed if and when necessitated by demand at any point in time. This dedication to R&D since its inception in 1937 in Cincinnati, Ohio, USA has helped P&G to develop products that make every day life of the people better all across the world. P&G uses patented ingredients in the manufacturing of Pantene while Head and Shoulders contain patented anti-dandruff ingredients. (www.pg.com.pk, September 3rd, 2003)

1.4 SWOT Analysis of P&G:

SWOT analysis is a situational analysis tool that helps the managers to identify internal strengths and weaknesses, external opportunities and threats and the potential impact of these on organizational performance.

To conduct a SWOT analysis, both internal as well as external assessments need to be carried out. Internal assessment involves examining internal resources and capability to identify organizational strengths and weaknesses while the external assessments deals with studying the environment that the organization is working in along with the competition.

1.4.1 Strengths:

Strength is a capability that can be exploited to achieve organizational goals. The strengths of P&G are as follows:

- One of the biggest strength of the organization is its name, which is recognized worldwide and is considered a symbol of credibility.
- P&G's strengths in product lines have been enough to make the company a formidable competitor in the consumer goods market. Its development of new consumer categories has propelled it to the number one position in many consumer product categories.
- P&G maintains excellent quality through latest equipment to produce best product.
- The company has a strong distribution network.
- P&G has put millions into research and development of new products, for both efficacy and usefulness to consumers.
- The company has highly motivated sales force to meet the ever-increasing demand and goals of the organization.
- Brand loyalty is another strength that the company enjoys.
- Strong advertisement through innovative ads and countrywide promotional campaigns for the betterment of the society.
- Very well maintained distribution to ensure the product availability through out the area.

- Excellent communication skills used by the management and the administration.
- Another factor that contributes to the company's strength is wide range of sizes available for the consumers.
- Sales promotion is another aspect that adds to the company's strength.

1.4.2 Weaknesses:

A weakness is an internal characteristic that may undermine performance. Along with the strengths of the company it also has some weaknesses. They are as follows:

- Improper communication of the corporate brand, which has resulted consistently, in people still buying the product from the Gray Market and preferring it to the locally manufactured, genuine product.
- Failure to curb the production and selling of the pirated products.
- Delay in introducing locally, the other brands that are selling in all local markets, e.g Herbal Essences etc.

1.4.3 Opportunities:

An opportunity is a situation that offers potential for helping the organization achieve its goals. The following opportunities are available for P&G to grasp:

- The company can have extensive rural area development in the licensed area.
- Increasing trend for Hair Care products offer ample opportunity for growth.
- Increased awareness in both sexes about personal products.

1.4.4 Threats:

An environmental threat is an external element that can develop into a non-crisis or crisis problem and potentially prevent the organization from achieving its goals. The threats faced by P&G that can hinder performance are as follows:

- One of the biggest threats for the company is emerging competition e.g Bio Amla, Medicam etc.

- Socio cultural changes due to which there is a decrease in the sales of imported items.

- Complacency has led P&G to renounce changes that could allow it to produce innovations faster, resulting in the loss of leadership over many of the consumer categories that it originally developed.

1.5 PEST Analysis:

1.5.1 Political Environment:

The political environment of Pakistan is known to be one of the most volatile in the region. Over the last decade, the successive political governments have not followed economic policies of their predecessors, which has resulted in investors getting scared of investing in Pakistan. Secondly, the labor policies have not been formulated to cater to the investor and reflect the tactical gain of a few political ambitions only.

With this premise, it may be added that in the present times, things have started to improve but the growth is retarded due uncertainty of the previous years, reflecting heavily. Looking at the region, China is emerging as a giant and India is all poised to take over the IT industry in the world, which has given substantial boost to the middle income group, which all FMCG companies eye like drooling hyenas.

1.5.2 Economic Environment:

Economics has impact on each level of company's system. Economic environment is shaped by four general economic systems.

- Infrastructure
- Consumer buying power
- Currency Stability
- National trade policy

Economic environment of Pakistan has been moderately favorable in the last four years because of growing market and currency stability. However increase in the poverty level and overall expenses of the consumer have affected the buying power. Consumers are now price conscious and bargain for it.

1.5.3 Technological Environment:

As a result of modernization in technology business-to-business transactions has become much easier now. Real time information is available at each level to all the business partners. Internet has been very helpful in letting companies adapt new and innovative process for selling their products. Like all other modern companies P&G have also benefited from this technological environment.

1.5.4 Socio – Cultural Environment:

Social environment has changed drastically with the US invasion of Afghanistan and Iraq. There is a growing movement by the religious factions to boycott the goods of multinationals. Various posters and handouts can be seen everywhere emphasizing to use local goods. This is causing great inconvenience to foreign companies like Unilever and P&G that have experienced a reduction in the sales by approximately 5-10%. This instability in the socio- cultural environment has made the econ-system of the multinationals volatile thereby making it more challenging to successfully market their products. Such issues need to be dealt by MNCs to protect the sale of the products.

1.6 Objectives:

The objective is to study in detail the branding strategies employed by leading multinationals. Brands are a direct consequence of the strategy of market segmentation and product differentiation. Particular focus will be given to the branding strategies employed by Procter and Gamble in the marketing of various "Hair Care" products in the Pakistani market.

There are six models of brand-product (service) relationships. Each of these denotes a certain role for the brand, its status as well as its relationship (nominal and/or visual with the products, which the brand encompasses:

- The product brand;
- The line brand;
- The range brand;
- The umbrella brand;
- The source brand;
- The endorsing brand.

Each of the above models has its advantages and disadvantages. (Jean-Noel Kapferer, 2000). The scope of this study is to identify the strengths and weaknesses of each and the circumstances under which Procter and Gamble have employed branding strategies to leverage individual brands in the Hair Care segment.

The research would contain a detailed analysis of the success stories and the failures that have been encountered. This research would attempt to highlight the variance in the implementation of branding strategies, their possible causes and their elucidation with the help of a detailed account of the demographic conditions of the Pakistani market and the circumstances under which various hair care brands were introduced by Procter and Gamble.

CHAPTER 2: LITERATURE REVIEW

2.1 Brand Equity:

Brand equity is defined in terms of the marketing effects uniquely attributable to the brand. That is, brand equity relates to the fact that different outcomes result from the marketing of a product or service because of its brand name or some other brand element, as compared to outcomes if that same product or service did not have that brand identification.

Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand; and that there exist many different ways that the value of a brand can be manifested or exploited to benefit the firm. (Kevin Lane Keller, 1998)

2.1.1 Customer- Based Brand Equity:

From the perspective of the consumer specifically, customer based brand equity is defined as the differential effect that brand knowledge has on consumer response to the marketing of that brand. A brand is said to have positive customer-based brand equity when customers react more favorably to a product and the way it is marketed when the brand is identified as compared to when it is not (e.g., when it is attributed to a fictitiously named or unnamed version of the product). Thus, a brand with *positive* customer-based brand equity might result in consumers being more accepting of a new brand extension, less sensitive to price increases and withdrawal of advertising support, or more willing to seek the brand in a new distribution channel. On the other hand, a brand is said to have *negative* customer-based brand equity if consumers react less favorably to marketing activity for the brand, as compared to an unnamed or fictitiously named version of the product.

There are three key ingredients to this definition:
1. Differential effect
2. Brand knowledge
3. Consumer response to marketing

First, brand equity arises from differences in consumer response. If no differences occur, then the brand name product can essentially be classified as commodity or generic version of the product. Second, these differences in response are a result of consumers' knowledge about the brand. Thus although strongly influenced by the marketing activity of the firm, brand equity ultimately depends on what resides in the minds of consumers. Third, the differential response by consumers that makes up the brand equity is reflected in perceptions, preferences and behavior related to all aspects of the marketing of a brand (e.g., choice of a brand, recall of copy points from an ad, actions in response to sales promotion, or evaluations of a proposed brand extension, and most important of all, the share of voice of a brand in this saturated market).

When consumers report different opinions between branded and unbranded versions of identical products, it must be the case that knowledge about the brand, created by whatever means (e.g., past experiences, marketing activity for the brand), has somehow changed consumers' product perceptions.

2.2 Brand Knowledge:

Brand knowledge can be characterized in terms of two components:

- Brand awareness
- Brand image

Brand awareness is related to the strength of the brand node or trace in memory as reflected by consumer's ability to identify the brand under different conditions. Brand awareness consists of *brand recognition*- reflecting the ability of consumers to confirm prior exposure to the brand- and *brand recall*- reflecting the ability of consumers to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as cue. Brand image is defined as consumer perceptions of a brand as reflected by the brand associations held in consumers' memory. Brand associations are the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers. Associations come in all forms and may reflect characteristics of the product or aspects independent of the product itself.

2.3 Sources of Brand Equity:

For branding strategies to be successful and brand equity to be created, consumers must be convinced that there are meaningful differences among brands in the product or service category. The key to branding is that consumers must *not* think that all brands in the category are the same. (Kevin Lane Keller, 1998)

2.3.1 Brand Awareness:

Establishing brand awareness and a positive brand image in consumer memory, in terms of strong, favorable and a unique brand associations, produces the knowledge structures that can affect consumer response and produce different types of customer-based brand equity. Brand awareness is created by increasing the familiarity of the brand through repeated exposure (for brand recognition) and strong associations with the appropriate product category or other relevant purchase or consumption cues (for brand recall). Brand awareness can be characterized by depth and breadth: the depth of brand awareness relates to the likelihood that the brand can be recognized or recalled; the breadth of brand awareness relates to the variety of purchase and consumption situations in which the brand comes to mind.

2.3.1.1 Strategies to Increase Awareness:

In the abstract, brand awareness is created by increasing the familiarity of the brand through repeated exposure, although this is generally more effective for brand recognition than for brand recall. Although brand repetition increases the strength of the brand node in memory and thus its recognizability, improving recall of the brand requires linkages in memory to appropriate product category, purchase situation, or consumption situation cues.

Two general guidelines are offered below for establishing brand awareness. First, it is important to visually and verbally reinforce the brand name with a full complement of reinforcing brand elements. In particular, to build awareness, it is often desirable to develop a slogan or jingle that creatively pairs the brand and the appropriate category, purchase or consumption cues (and ideally the brand positioning as well, in terms of building a positive brand

image). Additional use can be made of other brand elements- logos, symbols, characters, and packaging. The second important guideline for establishing brand awareness is to creatively pair the brand with its corresponding category or other appropriate cues through a wide range of communication options (advertising, promotion, sponsorship and public relations). In other words because anything that causes the consumer to experience the brand can potentially increase familiarity and awareness, a number of different communication options can be used.

2.3.2 Brand Image:

A positive brand image is created by marketing programs that link strong, favorable and unique associations to the brand in memory. The definition of customer-based brand equity does not distinguish between the source of brand associations and the manner in which they are formed; all that matters is the resulting favorability, strength and uniqueness of brand associations. This realization has important implications for building brand equity. Besides marketer-controlled sources of information, brand associations can also be created in a variety of other ways: by direct experience; from the information communicated by other commercial or non-partisan sources and word-of-mouth; and by inferences due to the identification of the brand with a company, country, channel of distribution, or some other particular person, place, or event. Marketers should recognize the influence of these other sources of information by both managing them as well as possible and adequately accounting for them in designing communication strategies.

2.3.3 Strength of Brand Associations:

Strength is the function of both the amount and quantity of processing that information receives and the nature or quality of that processing. The more deeply a person thinks about product information and relates it to existing brand knowledge, the stronger are the resulting brand associations. Two factors facilitating the strength of association to any piece of information are the personal relevance of the information and the consistency with which this information is presented over time. The particular associations that are recalled and salient will

not only depend on the strength of association, but also depend on the context in which the brand in considered and the retrieval cues that are present to serve as reminders.

2.3.4 Favorability of Brand Associations:

Favorable brand associations come in a variety of forms. Although they are primarily determined by intrinsic product-related factors, they may also be determined by more abstract non-product related imagery relayed to typical or desirable users or usage situations for the brand. Not all brand associations will be deemed important and viewed favorably by consumers, nor will they be equally valued across different purchase or consumption situations. (Kevin Lane Keller, 1998)

2.4 Benefits from Brand Equity:

Factors creating financial value for strong brands can be categorized into two categories:

1. Factors related to growth
   - Brand ability to attract new customers
   - Resist competitive activity
   - Introduce line extensions
   - Cross international borders
2. Factors related to profitability
   - Brand loyalty
   - Premium pricing
   - Lower price elasticity
   - Lower advertising/sales ratios
   - Trade leverage

Further benefits include:
   - Greater loyalty
   - Less vulnerability to competitive marketing actions
   - Less vulnerability to marketing crises
   - Larger margins

- More inelastic consumer response to price increases
- More elastic consumer response to price decreases
- Greater trade cooperation and support
- Increased marketing communication effectiveness
- Possible licensing opportunities
- Additional brand extension opportunities.

2.5 Brand Positioning:

When a new brand appears in the market, the consumer gets acquainted with it and starts collecting information about it. On the basis of this information the consumer creates an opinion of the brand and establishes a brand image. For a stable market position of a brand, consumer awareness of the new brand on the market is not sufficient. The consumer must prefer a brand and have a positive assessment of it as well as considering it in its purchasing decisions. The target position means deciding on the target image of a brand and how the consumers should compare it to other competitive brands. (Branding Asia. Com, 30th March 2003).

2.5.1 Not Every Brand Is Competition:

All trade marks on the market within trade groups could be classified according to the consumers (un)-awareness and assessment as shown in the picture below:
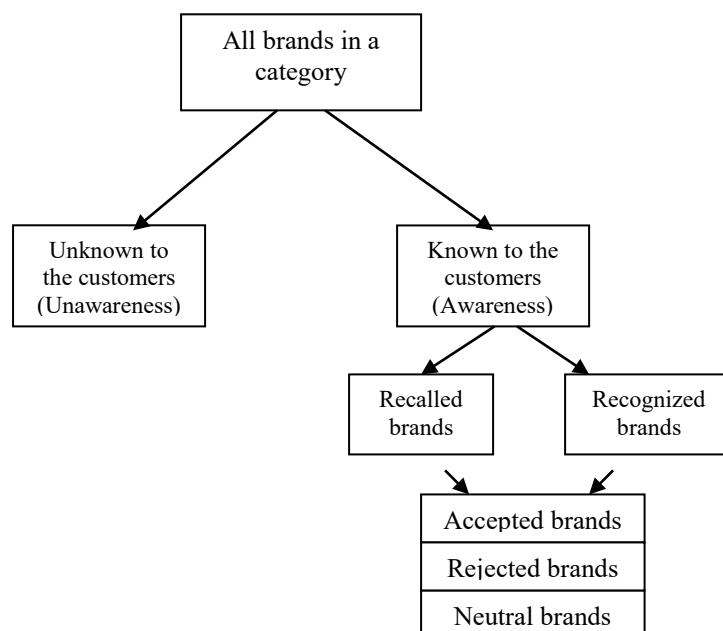
Fig. 2.1

If a brand is familiar to the consumer it does not mean that it is also a possible alternative for the consumer's choices. To some (recognized) brands the consumer may have a negative reaction and therefore have no intention of using them. The consumer is also familiar with neutral brands, which are unimportant to him, or about which he does not have the sufficient information to consider purchasing them.

Results of brand positioning research shows:

The market position of a brand shows where a specific brand is located. It also shows the relationship to competitive brands. We can determine the market position of a brand on the basis of the answers to the following four questions:

1. *Why* (which benefits and advantages does the new brand bring to the consumer)
2. *When* (determining the opportunities for which the brand is most suitable)
3. *For whom* (it is about the determination of the consumer of a brand or target group)
4. *Against whom* (determining the main competitive brands)

It is optimal for a company to first decide on the method of conducting the brand image research with which the company can investigate the key values and dimensions of the brand. When a company is thoroughly acquainted with its brand and its image in the market it is sensible to focus on more competitive brands and to compare these brands to theirs. It is important to find out how consumers categorize brands within a specific trade group and how they focus on the most competitive ones.

The market position of a brand is measured using the quantitative methods of research, which are based on the results of qualitative work. That is how quantitative phase research uses the image dimensions and positions, which are of major importance to the specific brand and trade group.

The results of measuring the brand positioning can be displayed in a profile perception of a brand form or using perceptive maps.
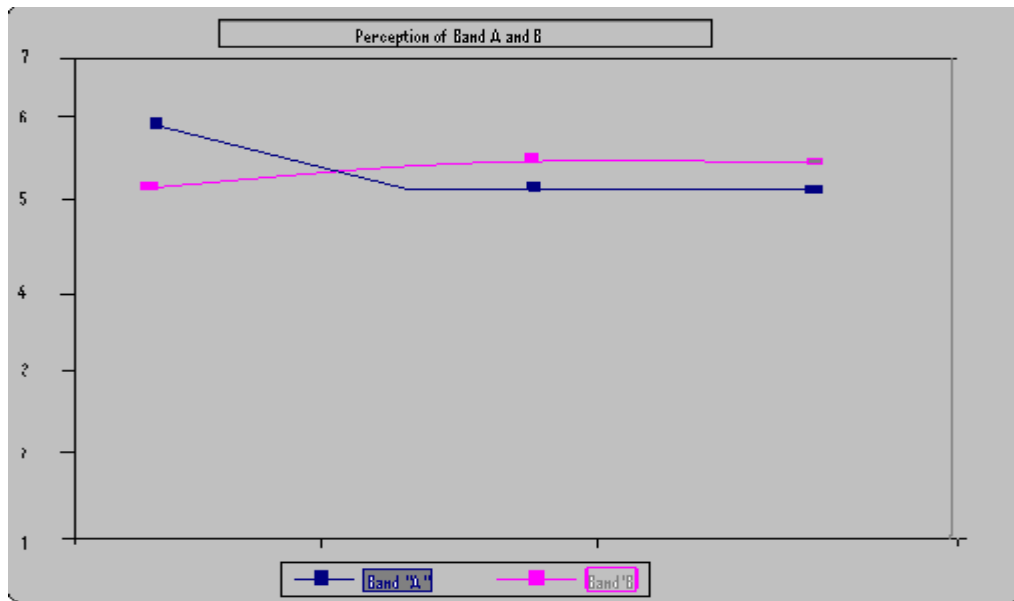
Fig. 2.2
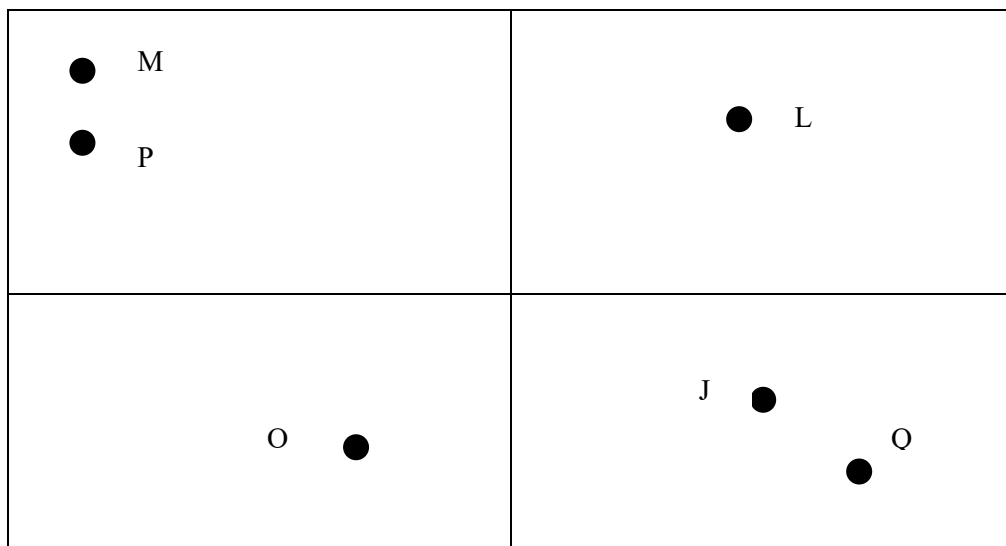
Fig. 2.3

The most sensible thing is to compare the results with competitive brands and/or throughout time. A company can therefore continuously follow the (un)-stable market position of its brand, measure the market communication action influence on the market position and find out in which areas further actions should be directed to.

All forward-looking companies now regard positioning as the heart of competitive strategy. As the ultimate aim of any business strategy is to satisfy the customer, gaining a valued position in the minds of customers is essential. Some people argue that branding is really positioning, stating that unless a brand has a position, it has no

unique value in the minds of consumers. One can establish a brand personality, and through precise market segmentation identify and reach the target audience, but what links them together is positioning the brand in the minds of that audience. But, what is a position and how does one arrive at a good strategy for achieving one?

The branding process seeks to create a unique identity, for a company, product or service, which differentiates it from the competition. And every brand has to have a strategic platform. One half of that platform is created by carefully formulating a distinct brand personality, which makes the identity of the brand unique. The other half of the strategic brand platform is positioning. Positioning is critical to brand building because it is responsible for projecting the brand identity and creating the perception and image of the brand in people's minds. In other words, positioning is the process of offering the brand to the consumer. It is positioning that makes the brand appear to be different and better than all competing brands. The key points to note about positioning are:

- It is a strategic, not a tactical, activity.
- It is aimed at developing a strategic, sustainable competitive advantage.
- It is concerned with managing perceptions.
- Brand image and reputation are the result of the positioning process.

Positioning is normally carried out using brand communications, but sometimes it is tempting for companies to try and step away from the brand position in an attempt to reach a different target audience. So a number of questions arise, can a brand only position itself in one way? How many positions can a brand have?

Positioning is the outward expression of a brand, and the reality, therefore, is that a brand can only have one true position. As positioning presents the identity and personality of the brand to the outside world, a multiple personality would seem odd at the very least, and at worst, schizophrenic. Consumers make brands famous for many reasons, of which the most important is that they come to trust brands as friends. That is why deciding on the brand-positioning strategy is such an important part of brand strategy. However, there are ways in which the brand may be presented differently to various target audiences. The success of this depends on an accurate

judgment of the segments that exist in the market, and the segments' precise needs and wants. (gral iteo.si/eng.php, 21st September 2003)

2.6 Brand Image:

Consumers perceive and accept many brands within a certain trade group in different ways. By personifying a brand (How would one describe brand X if it were a person?) one can find out, that for instance consumers perceive brand A as a young, impulsive, lively, attractive, energetic woman full of ideas. In the same way could brand B be an elderly, conservative and relaxed man. The brand can also have a completely inexpressive and bad image. That is how brand C may not have any real personal characteristics, slim, tall, unnoticeable and calm.

The image basically expresses a way of a consumer thinks about the brand and the feelings the brand arouses when the consumer thinks about it. On the basis of these characteristics, which the consumer associates with the brand, the company can build a competitive advantage for its brand.

What sort of image should a brand have?

Before answering this question it is important to take into account several factors and market circumstances: company goals, consumer wishes and expectations, trade groups and several other groups. A company builds its brand image through trade communication with its consumers. That is how a company informs the consumer of what the brand represents, what its values are, what the company is offering or guaranteeing the consumer, what its advantages are, its qualities etc. The consumers interpret all obtained information and form a subjective perception of the brand or its image.

Understanding a brand image is of key importance to long-term management of a brand. It is also important how the consumers formed the brand and what kind of relationship was formed with the brand - what the brand means to them and how they have accepted it. Understanding the relationship between consumers and brands can help a company control its successful brand positioning and the efficiency of advertising.

The brand image is formed in the long-term and represents a non-conscious and "untouchable" area, which needs to be researched using projective researching methods that help the consumer to overcome certain obstacles and limitations as well helping him to be inspired in the world of brand names. The consumer does therefore not only focus on the brand, but mainly on his experience with it and on its usual users. He focuses on the opportunities, which are most suitable for the specific brand and what sort of image the brand presents etc. One is able to research and describe the brand from various perspectives. Many different associations, ideas, benefits and people whom the consumer in some way connects to brands, which need to be suitably and correctly interpreted, can be obtained. It is important to define the key characteristics and values, which are connected to a specific brand by the consumer. Relevant findings show results of long-term management of a brand and represent key dimensions on which the competitive advantage of a brand is based.

2.7 Brand Leveraging:

Brand leveraging is one of the methods whereby companies can build brand equity. Brand leveraging creates secondary brand associations. Brands may be linked to other entities with their own associations. By becoming identified with other entities in some manner, consumers may assume or infer that some of the associations that characterize the other entities may also be true for the brand. Thus, in effect some associations become "transferred" from other entities to the brand. (Kevin Lane Keller, 1998)

Secondary associations can be leveraged to create strong, favorable and unique associations that may otherwise not be present. Secondary associations can be created with the help of following means:

- Companies (e.g., through branding strategies)
- Countries or other geographical areas (e.g., through identification of product origin)
- Channels of distribution (e.g., through channels strategy)
- Other brands (e.g., through co-branding)
- Characters (e.g., through licensing)

- Spokespeople (e.g., through endorsements)
- Events (e.g., through sponsorship)
- Other third-party sources (e.g., through awards or reviews)

The first three entities all reflect source factors- who makes the product, where the product is made, and where is it purchased. The remaining entities deal with related people, places or things.

The basic mechanism of the leveraging process is such that consumers have some knowledge of an entity- certain beliefs and attitudes- that they have learned over time. When a brand is identified as being linked to that entity, consumers may infer that some of the associations that characterize the entity may also characterize the brand. To predict the extent of leveraging the following factors have to be considered:

1. **Awareness and knowledge of the entity:** If consumers have no familiarity or knowledge of the entity, then obviously there is nothing that can be transferred. Ideally, consumers would be aware of the entity and hold some strong, favorable and perhaps even unique associations.

2. **Meaningfulness of the entity's associations:** Given that the entity has some potentially positive associations, to what extent are those associations relevant and meaningful for the brand? The meaningfulness of these other associations may vary depending on the brand and product context. Some associations may seem relevant to and valuable for the brand whereas others may seem to consumers to have little connection.

3. **Transferability of the entity's associations**: Assuming that some potentially useful and meaningful associations exist for the entity and could possibly be transferred to the brand, to what extent will those associations actually become linked to the brand? Thus a key issue is the extent to which these other associations will in fact become strong, favorable, and unique in the context of the brand.

The inferencing process will depend largely on the strength of the linkage or connection in consumer's minds between the brand and other entity. The more

consumers see fit or similarity of the entity to the brand, the more likely it is that consumers will infer similar associations to the brand.

In general, secondary associations are most likely to affect the evaluations of a new product when consumers lack either the motivation or ability to judge more product-related concerns.

The main ways by which secondary brand associations can be linked to the brand are discussed:

2.7.1 Company:

The branding strategies adopted by a company that makes a product will be an important determinant of the strength of association from brand to the company and any other existing brands. Three main branding options exist for a new product:

1. Create a new brand
2. Adopt or modify an existing brand
3. Combine an existing and new brand.

Existing brand may be related to a company of a family brand and may involve names, logos, symbols and so on. In this way the associations to existing brand may be linked to the new brand. In particular a corporate or family brand can be a source of much brand equity.

A corporate brand may evoke associations of common product attributes, benefits or attitudes; people and relationships; programs and values; and corporate credibility.

2.7.2 Country-of-Origin and Other Geographic Areas:

Besides the company that makes the product, the country or geographical location from which it is seen as coming from may also become linked to the brand and generate secondary associations. Many counties have become known for expertise in certain product categories or for conveying a particular type of image. By virtue of the fact that it is typically a legal necessity that the country of origin appear visibly somewhere on the product or package,

associations to the country of origin almost always have the potential to be created at the point of purchase and impact brand decisions there.

Strong connections may pose problems, if the firm desires to move production elsewhere. The favorability of a country-of-origin association must be considered both in a domestic and foreign perspective. In the domestic market, country-of-origin perceptions may stir consumers' patriotic notions or remind them of their past. As international trade grows, consumers may view certain brands as symbolically important of their own cultural heritage and identity. Patriotic appeals have been the basis of marketing strategies all over the world. Patriotic appeals, however, can lack uniqueness and even be overused.

2.7.3 Channels of Distribution:

Members of channels of distribution can directly affect the equity of the brands they sell by supporting actions that they take. Retail outlets can indirectly affect the brand equity of the products they sell by influencing the nature of associations that are inferred about these products on the basis of the associations linked to retail stores in the minds of consumers.

Because of associations to product assortment, pricing and credit policy, quality of service and so on, retailers have their own brand images in consumers' minds. Retailers create these associations through the products and brands they stock, the means by which they sell them and so on. To more directly shape their image, many retailers aggressively advertise and promote directly to customers. Given that a store has some associations in the minds of consumers, these associations may be linked to the products they sell or affect existing brand associations for these products in some way.

2.7.4 Co-Branding:

An already introduced brand can also leverage associations by linking itself to other existing brands from the same or different company. Co-branding also called brand building or brand alliances- occurs when two or more existing brand are combined into a joint product and/or marketed together in some fashion. The main advantage of co-branding is that a product may be more

uniquely and convincingly positioned by virtue of the multiple brand involved. Co-branding can create more compelling points of difference and/or points of parity for the brand than might have been otherwise feasible. As a result, co-branding can generate greater sales from the existing target market as well as open additional opportunities with new consumers and channels. Co-branding can reduce the cost of product introduction because two well-known images are combined, accelerating potential adoption.

The potential disadvantages of co-branding are the risks and lack of control from becoming aligned with another brand in the minds of consumers. Consumers' expectation about the level of involvement and commitment with co-brands is likely to be high. Unsatisfactory performance, thus, could have negative repercussions for the brands involved. If the other brand is one that has entered into a number of co-branding arrangements, there may also be a risk of overexposure that would dilute the transfer of association. To create a strong co-brand, it is important that both brands entering the agreement have adequate brand awareness and strong, favorable, and unique associations. Thus, a necessary but not sufficient condition for co-branding success is that the two brands separately have some brand equity. The most important requirement is that there is a logical fit between the two brands such that the combined brand or marketing activity maximizes the advantages of the individual brands while minimizing the disadvantages.

2.7.5 Ingredient Branding:

A special case of co-branding is ingredient branding, which involves creating brand equity for materials, components, and parts that are necessarily contained within other branded products. Ingredient brands attempt to create sufficient awareness and preference for their product such that consumers will not buy a "host" product that does not contain the ingredient.

2.7.6 Licensing:

Licensing involves contractual arrangements whereby firms can use names, logos, characters, and other facets of other brands to market their own brands for some fixed fee. Essentially, a firm is "renting" another brand to contribute

to the brand equity of their own product. It is a short-cut means of building brand equity. However, one danger of licensing is that manufacturers can get caught up in licensing a brand that might be popular at the moment but is really only a "fad" and just produces short-lived sales.

2.7.7 Celebrity Endorsers:

Companies use well-known celebrities to promote their products. The rationale is that a famous person can draw attention to a brand, as well as shape the perceptions of the brand by virtue of the inferences that consumers make based on the knowledge that they have about the famous person. Consequently, in choosing a celebrity endorser, it is important that the celebrity is well known enough so that both awareness of and image for the brand may be improved. In particular, a celebrity endorser should have a high level of visibility and a rich set of potentially useful associations. Ideally, a celebrity endorser would be seen as credible in terms of expertise, trustworthiness, and/or likeability or attractiveness as well as having specific associations with potential product relevance of some kind.

2.7.8 Sporting, Cultural, or Other Events:

Event marketing is a means of creating or reinforcing consumer perceptions of key associations. Events have their own set of associations and may become linked to a sponsoring brand under certain conditions. The main means by which an event can transfer any association is probably on the basis of various dimensions of credibility. A brand may be seen as more likeable or perhaps even trustworthy or expert on the basis of becoming linked to an event.

2.7.9 Third- Party Sources:

Secondary associations can be created in a number of different ways by linking the brand to various third-party sources. Endorsements from leading magazines, organizations and experts can obviously improve perceptions of and attitudes towards brands. (Kevin Lane Keller, 1998)

2.8 Branding Strategy:

The branding strategy for a firm reflects the number and nature of common and distinctive brand elements applied to the different products sold by the firm. In other words, brand strategy involves deciding which brand elements to be applied to new products. A branding strategy for a firm can be characterized according to its *breadth* (in terms of brand-product relationships and brand extensions strategy) and its depth (in terms of product-brand relationships and the brand portfolio or mix). For example, a branding strategy can be seen as both deep and broad if the firm has a large number of brands, many of whom have been extended into various product categories.

2.8.1 Breadth Of a Branding Strategy:

The breadth of a branding strategy concerns the number and nature of different products linked to the brands sold by a firm. There are a number of considerations concerning the product mix and which products the firm should manufacture and/or sell. Strategic decisions have to be made concerning how many different product lines the company should carry (the breadth of the product mix), as well as how many variants should be offered in each product line (the depth of the product mix).

2.8.2 Breadth Of Product Mix:

Lehman and Winer provide an in-depth consideration of factors affecting product category attractiveness. (Category Attractiveness Analysis, 1994). They note that three main sets of factors determine the inherent attractiveness of a product category:

1. **Aggregate Market Factors:** concern those descriptive characteristics of the market itself. All else equal, a category is considered attractive if it is:
   - Relatively large (as measured both in units and dollars)
   - Fast growing (both in current and projected terms) and in growth stage of the product lifecycle.
   - Non-cyclical and non-seasonal in sales patterns
   - Characterized by relatively high, steady profit margins.

2. **Category Factors:** relate to those underlying structural factors affecting the category. In general, a category is considered attractive if it is the case that:

- The threat of new entrants is low (due to barriers of entry, economies of scale, product differentiation, capital requirements, switching costs, or distribution systems)

- Bargaining power of buyers is low (when the product bought is a small percentage of buyers' costs or sharply differentiated or when buyers are earning high profits, lack information about competitive offerings or are unable to integrate backwards)

- Current category rivalry is low (when there are few or an imbalance in competitors in fast growing markets)

- Few close product substitutes exist in the eyes of consumers.

- The market is operating at or near capacity.

3. **Environmental Factors:** address those external forces unrelated to the product's customers and competitors that affect marketing strategies. A host of technological, political, economic, regulatory, and social factors will impact the future prospects of a category and should be forecasted.

Fig 2.4

> **I. AGGREGATE MARKET FACTORS**
> Market size
> Market growth
> Stages in product lifecycle
> Sales cyclicity
> Seasonality
> Profits
>
> **II. INDUSTRY FACTORS**
> Threat of new entrants
> Bargaining power of buyers
> Bargaining power of suppliers
> Current industry rivalry
> Pressures from substitutes
> Industry capacity
>
> **III. ENVIORNMENTAL FACTORS**
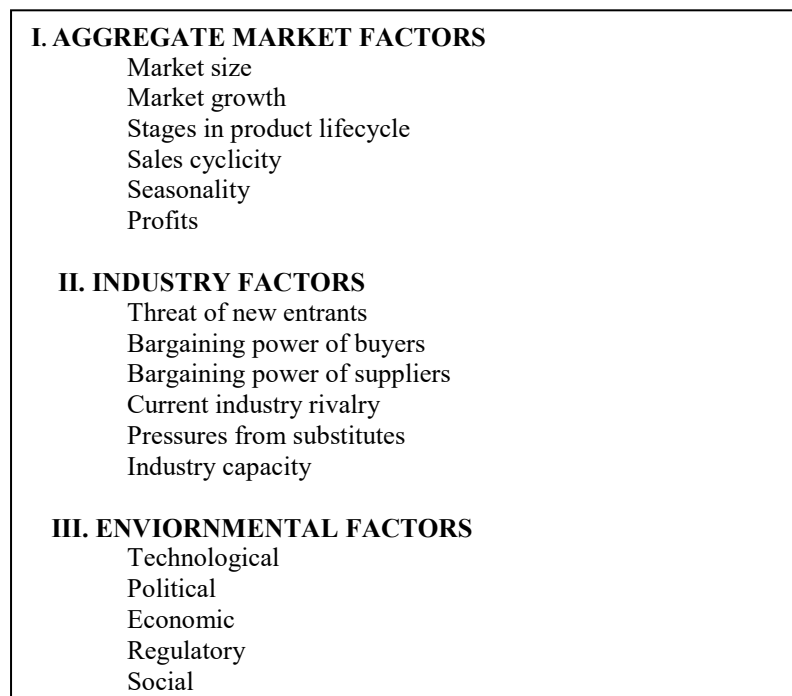> Technological
> Political
> Economic
> Regulatory
> Social

All these factors relate on some way to consumers, competition, and the marketing environment and must be assessed to determine the inherent attractiveness of a product category or market. The ultimate decision for a firm to enter such markets, however, must also take into account fundamental considerations related to the firm's capabilities and abilities as well as its strategic objectives and goals.

2.8.3 Depth of Product Mix:

Once broad decisions concerning appropriate product categories and markets in which to compete have been made, decisions concerning the optimal product line strategy must also be made. Product line analysis requires a clear understanding of the market and cost interdependencies between products. Specifically, product line analysis involves examining the percentage of sales and profits contributed by each item or member in the product line. The ability of each item in the product line to withstand competition and address consumer needs also needs to be assessed. At its simplest, a product line is too short if the manager can increase long-term profits by adding items; the line is too long if the manager can increase profits by dropping items. Increasing the length of the product line by adding new variants or items typically expands market coverage and therefore, market share but also increases costs. From a branding perspective, longer product lines also may decrease the consistency of the associated brand image if the same brand is used.

2.8.4 Depth Of A Branding Strategy:

The depth of a branding strategy concerns the number and nature of different brands marketed in the product lines sold by a firm. Why might a firm have multiple brands in the same product category? The primary reason relates to market coverage.

The main reason to adopt multiple brands is to pursue multiple market segments. These different market segments may be based on all types of considerations- different price segments, different channels of distribution, or different geographical boundaries.

In many cases, multiple brands have to be introduced by a firm because any one brand is not viewed equally favorably by all the different market segments that the firm would like to target.

Some other reasons for introducing multiple brands in a category that have been put forth include:

1. To increase shelf presence and retailer dependence in the store.

2.To attract consumers seeking variety who may otherwise have switched to another brand.

3.To increase internal competition within the firm.

4.To yield economies of scale in advertising, sales, merchandising, and physical distribution. (Kevin Lane Keller, 1998)

CHAPTER 3: RESEARCH METHODOLOGY AND PLAN

3.1 Hypothesis:

Every research starts by making use of certain assumptions known as hypotheses. Hypothesis is a conjectural statement about the relationship between some variables. It is an unproven proposition or possible solution to a problem. This statement should carry clear implications for measuring the variables and testing the stated relationship. Hypothesis testing deals with testing the collected information from the population sample against the assumptions made at the beginning of the research. This is used to decide how likely the hypothesized population parameter is correct. (Aaker, Kumar and Day, 1995)

This research deals with the contribution of brands in multinational firms. The branding strategies employed by a leading MNC- Procter and Gamble will be studied in detail with particular focus on the Pakistani market.

3.1.1 Hypotheses for This Research Study:

The contribution of brands can be studied in a number of ways. Following are a few hypotheses that will be used as a basis to carry out this research:

H1 = Building brands is imperative for the establishment of successful companies.

H2 = Brands contribute in the Balance Sheet of a company by enhancing a company's overall assets.

H3 = A core brand can be leveraged to contribute to the overall growth of a company.

3.2 Research Details:

3.2.1 Qualitative Versus Quantitative Data:

The purpose of qualitative research is to find out what is in a consumer's mind. It is done in order to access and also get a rough idea about the person's perspective. It helps the researcher to become oriented to the range and complexity of consumer activity and concerns. Qualitative data are collected to know more about things that cannot be directly observed and measured. The basic assumption behind qualitative methods is that an individual's organization of a relatively unstructured stimulus indicates the person's basic perceptions of the phenomenon and his or her rejection to it.

Quantitative data on the other hand give direct and explicit information about consumers in numerical form. There is no ambiguity due to the exact nature of the numerical representation. Qualitative data is most appropriate for insights into a consumer's perspective to suggest hypotheses for further research. (William G. Zikmund, 1997)

3.2.2 Types of Research:

There are three kinds of marketing research:

- Exploratory Research
- Conclusive Research
- Performance- monitoring Research

3.2.2.1 Exploratory Research:

Exploratory research is used in the early stages of decision-making process. This is usually designed to obtain a preliminary investigation of the situation. It is characterized by flexibility in order to be sensitive to the unexpected and to discover insights not previously recognized. Wide-ranging and versatile approaches are employed. These include secondary data sources, observation

and interviews with experts, group interviews with knowledgeable persons and case histories.

Exploratory research is appropriate in situations of problem recognition and definition. This research is appropriate when the research objectives include:

1. Identifying problems or opportunities
2. Developing a more precise formulation of a vaguely defined problem or opportunity
3. Gaining perspective regarding the breadth of variables operating in a situation
4. Establishing priorities regarding the potential significance of various problems or opportunities
5. Gaining management and researcher perspective concerning the character of the problem situation
6. Identifying and formulating alternative courses of action
7. Gathering information on the problems associated with conclusive research.

The purpose of this research is to formulate hypotheses regarding potential problems and opportunities. The task of exploratory research is to identify the tentative hypotheses regarding a said issue.

Exploratory research usually consists of questioning knowledgeable respondents individually or in small groups. This research provides qualitative data. Usually exploratory research provides greater understanding of a concept or crystallizes a problem rather than providing precise measurement or quantification. A researcher may search for numbers to indicate economic trends, but does not perform a rigorous mathematical analysis. Any sources of information may be informally investigated to clarify which qualities or characteristics are associated with a product, situation or issue. (Aaker, Kumar and Day, 1995)

3.2.2.1.1 Categories of Exploratory Research:

There are many techniques for investigating undefined research problems. However, the *purpose*, rather than the *technique*, determines whether a study is exploratory, descriptive or casual.

Four general categories of exploratory research methods are:

- · Experience surveys
- · Secondary data analysis
- · Case studies
- · Pilot studies

3.2.2.2 Conclusive Research:

Conclusive research provides information, which helps the manager evaluate and select a course of action. The research design is characterized by formal research procedures. This involves clearly defined research objectives and information needs. Once a detailed questionnaire is drawn up, along with a formal sampling plan. It should be clear how the information to be collected relates to the alternatives under evaluation. Possible research approaches include surveys, experiments, observations and simulation.

3.2.2.3 Performance- Monitoring Research:

Once a course of action is selected performance-monitoring research is used to understand the outcome of the implemented marketing plan. It is the essential element needed to control marketing programs in accordance with plans. Deviation from the plan can result from improper execution of the marketing program and/or unanticipated changes in the situational factors. Consequently effective performance-monitoring involves monitoring both the marketing mix variables and the situational variables in addition to traditional performance measures such as sales, share of market profit and ROI (return on investment). (William G. Zikmund, 1997)

Research Methodology for This Research Study:

The approach used for carrying out this study will be based on exploratory research. Exploratory research is used when one is seeking insights into general nature of a problem, the possible decision alternatives, and relevant variables that need to be considered. Typically there is little prior knowledge on which to build. The research methods are highly flexible, unstructured and qualitative. This approach is appropriate for this study as there are no firm preconceptions as to what will be found. This absence of structure permits a thorough pursuit of interesting ideas and clues about the problem situation.

3.3 Data Collection Method:

For the collection of data both the primary and the secondary sources will be utilized.

3.3.1 Primary Sources:

Primary data are collected and developed especially to address a specific research objective. A number of methods may be employed to collect data. It gives the researcher greater control over the interpretation of data.

Due to better suitability the following sources of primary data will be used for this study:

- Questionnaires to assess consumer perceptions
- Direct phone calls with related company personnel.
- Meetings with related industry personnel.
- Group discussions.

3.3.2 Secondary Sources:

Secondary sources present data that is already available for purposes other than the present issue. It is useful because certain information is available only via secondary sources.

Secondary data can be classified as coming from internal sources or external sources.

3.3.2.1 Internal Data:

Internal data originate within the organization for which the research is conducted. Internal data collected for purposes other than the research being conducted are called internal secondary data. All organizations collect internal data as part of their normal operations. The advantages of internal secondary data are low cost and availability.

3.3.2.2 External Data:

External data come from an array of sources such as government publications, trade association data books, bulletin reports, and periodicals. External data not available in a library are usually standardized data, which are expensive to acquire. These are called syndicated sources. Such sources are predominantly profit-making organizations that provide standardized data to an array of clients.

A possible limitation with this source is the lack of accuracy and the assumptions made while gathering the data. The issue of anomalies is a serious concern while using secondary data. (Thomas C. Kinnear and James R. Taylor, 1996).

For this study the following sources of secondary data will be used:

- Journals
- Company information reports
- Annual Reports
- Websites
- Newspaper articles

3.4 Sampling Plan:

The sampling plan describes how a sub-group of total population will be selected. A sample size of 100 will be used, as it is most suitable for reducing any errors that may be encountered during the research work.

3.5 Sampling Procedures:

The sampling procedure is the way the sample units are to be selected. Five basic choices can be made while selecting a sampling method:

- Probability versus non-probability
- Single versus cluster of units
- Unstratified versus stratified
- Equal units probability versus unequal unit probability
- Single versus multistage

3.5.1 Probability versus Non-Probability Sampling:

A probability sample is one in which the sampling units are selected by chance and for which there is a known chance of each units being selected. Probability samples are selected by use of a stable, independent data-generating process. A probability sample could be taken by starting at a preselected place in a table of random numbers and selecting seven-digit numbers by a designated procedure. A table of random numbers is used for this purpose. However, a probability sample does not ensure a representative sample.

A non-probability sample is one in which chance selection procedures are not used. Several methods of non-probability samples can be used:

3.5.1.1 Convenience Samples:

Convenience samples are used in exploratory situations when there is a need to get only an approximation of the actual value quickly and inexpensively. Commonly used convenience samples are associates, friends, family members, and "passer bys". These can be used to test questionnaires.

3.5.1.2 Judgment Samples:

A judgment sample is one in which there is an attempt to draw a representative sample of the population using judgmental selection procedures. However, this procedure becomes less trustworthy as sample size increases.

3.5.1.3 Quota Samples:

A quota sample is one selected purposively in such a way hat the demographic characteristics of interest are represented in the sample in the same proportion as they are in population.

3.5.1.4 Purposive Samples:

A purposive sample is one that is purposefully chosen to be non-representatives, to achieve some specific objectives. This approach also loses validity as sample size increases.

3.5.2 Single- Unit versus Cluster Sampling:

In single unit sampling, each sampling unit is selected separately; in cluster sampling the units are selected in groups. The choice between these sampling options is an economic tug-of-war between cost and value.

3.5.3 Unstratified versus Stratified Sampling:

In stratified sampling each stratum is treated as a separate subpopulation for sampling purposes. A stratum in a population is a segment of that population having one or more common characteristics. Unstratified sampling is free from such strata.

3.5.4 Equal Probability versus Unequal Probability Sampling:

In unequal probability sampling all the samples have an unequal probability of being selected. This reduces the gross errors from the sampling procedure. It is only when one has no reason to believe that the variation is different among the strata that one would take a proportional sample and thus give an equal chance of representation to each sampling unit.

3.5.5 Single Stage versus Multistage Sampling:

The number of stages involved in the sampling method is partially a function of the kind of sampling frame available. If a perfect frame were always available complete with all the associated information one might want for purposes of clustering and/or sampling, there would be fewer multistage samples. In multistage sampling different

stages of sampling procedures are followed due to the incomplete listing of information in individual samples. (Donald S.Tull and Del I. Hawkins, 1997)

Sampling Procedure for This Research Study:

Convenience sampling will be used for the collection of data. Convenience samples are collected on the basis of convenience of the researcher. This may entail asking people to volunteer to test products and then using these people and conducting "people-on-the-roads interviews". This procedure has been selected, as it is the most appropriate for exploratory stage of research, which is primarily the main approach, adopted for this study. Other than this, convenience sampling is the quickest and most cost efficient sampling procedure to conduct exploratory research.

3.6 Limitations of the Study:

This research will be carried out under the assumption that required data would be available. Due to the vastness of the topic certain discrepancies may occur. However, complete effort will be made to keep the data as accurate and precise as possible.

CHAPTER 4: FINDING & ANALYSIS

Hair is an important component of our bodies. The style, length, color, cleanliness, and condition of hair are an expression of attitude and personality. Each day, the transformation that occurs as a result of the "hair care" routine has a direct impact on consumers' confidence and self-esteem.

To wit, it appears that hair care and management serves a purpose beyond mere maintenance; it is a form of communication. Whether one chooses to go back to botanicals, go pro-synthetic or opt not to shampoo at all; whether one shaves it off or weaves it in, hair and its care serve as a cultural flag post from which one can declare one's values, position, conformity or nonconformity to the zeitgeist of the time. Each generation continues to look for what is effective and new, aided by science, nostalgia and the daring of a few creative entrepreneurs.

Hair Care products serve a functional role in the daily grooming routine, but the emotional benefits these products help deliver are just as important. Hair Care products address various functional needs throughout the process of creating that perfect style - whether it's in preparing one's hair (shampoos and conditioners), creating the style (mousses, gels) or keeping the style (hair sprays.) But the ultimate benefit is emotional - how the style makes one feel when the process is complete.

Hair Care can be broken into four major sectors:

- *Washing* includes shampoos, conditioners, and 2-in-1 products
- *Styling* includes styling agents/hair sprays and home permanent kits
- *Colorants* include permanent, semi-permanent, tone-on-tone, bleaches, lighteners, highlights, temporary rinses and color restorers.
- *Salon Products* are comprised of washing, styling, and colorant products sold via hairdressing salons.

Successful Daily Hair Care brands deliver on both the functional and emotional needs of the consumer. *Attitude*: It is a known fact that hair has it. Hair can be mousy, nasty, wishy-washy, or bouncin' and behavin'. One can even speak of whether one's

hair is having a good or bad day. To combat the unpredictable temperament of human hair, people developed a sophisticated arsenal of weaponry known as: Styling Tools.

There are just as many hair care products as different hair types and styles in retail stores today, from premium and mid-segment, to the value tier. Many different needs and desires of the consumers is what drives constant changes in this industry. Some seek salon-quality products, while others want value. Some shop by brand, while others mix and match. And last, but not the least, there is yet another kind of consumers who are entirely unpredictable since their shopping behavior is dictated by the media. However, one should keep in mind what consumers are always looking is the right solution for their hair care concerns at the right price point. Although consumers are still trying different products all the time, they are more likely to choose mass market brands over premium brands as consumer demands are getting more sophisticated and more mass market brands are offering the same benefits as premium brands at lower prices. Capitalizing on hair care market involves the grasp of fashions and trends. (www.ecrm-epps.com, September 25, 2003)

Shampoo is the product with the highest rate of household penetration and close to universal usage. Conditioners and 2-in-1 shampoo/conditioner products are also included in the washing sector.

To overcome the saturated and commodity nature of hair care's largest sector, washing products, manufacturers are turning to technological innovation and segmentation to add value to and drive the trend toward more "upmarket" products. This strategy is working well, as consumers are being persuaded to pay more for products specially designed for dry hair, colored hair, permed hair, and fine hair. While value sales of saloon products benefited in some markets from the more upscale trend, the availability of premium brands in mass-market outlets at lower prices undermine overall salon sales.

Consumers are always looking for the right solution for their hair care concerns at the right price point. Although consumers are still trying different products all the time, they are more likely to choose mass market brands over premium brands as consumer demands are getting more sophisticated and more mass market brands are offering the same benefits as premium brands at lower prices.

4.1 Gentler, More Natural Products are Thriving:

A growing number of "natural" ingredients are being used in new hair care products in response to consumer demand for mild, caring products.

Through extensive consumer research, the functional need segments for Hair Care can be defined as:
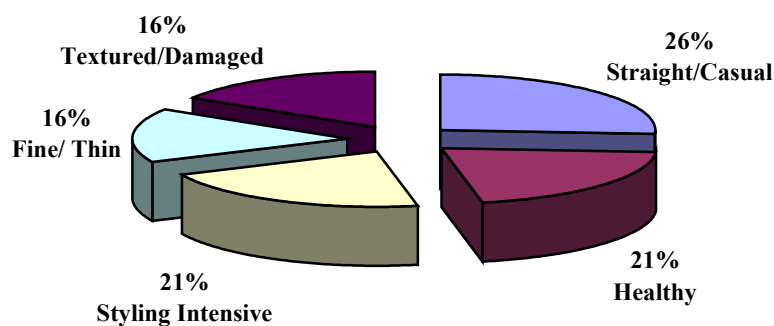

Fig.4.1

However, brand strength does not come from just offering the right mix of functional product benefits. It is very important to understand the key attitudes that shape the hair care consumer's emotional price/value needs, as described below:

- Price/ Value Shoppers
- Healthy Loyalists
- Worriers
- Apathetics
- Experimenters

The "price/value" consumer will feel confident and smart in their ability to find a product that works well but at a lower cost. They are mostly satisfied with their hair and prefer simplicity.

An "Experimenter" will be eager to try the newest styling product because it will make them feel trendy and fashionable. These shoppers enjoy spending time on their

hair and find it to be a pleasurable experience. Quality is the key for these individuals as they shop for the mid, premium, and ultra premium brands.

"Apathetics" have given up on improving their hair and are always dissatisfied therefore believe all brands are the same. They shop primarily for value and basic functionality.

"Worriers" work aggressively on improving their hair and are always searching for new products to help, especially "repair" products. These shoppers like variety and will often use customized products to meet their needs such as premium/ultra premium brands.

"Healthy Loyalists" know the importance of healthy hair and has a very positive attitude. Quality and performance is vital in their hair care products and they most often chosen ultra premium/salon brands. Brand loyalty plays a big role in the choosing of their items.

(Refer to Appendix-B)

4.2 Need for Assortment:

Variety is clearly important to consumers in the Hair Care category. It is important to note that failing to provide sufficient variety in Hair Care is likely to result in lost sales.

4.3 Packaging:

There are now minimal differences between mass and prestige packaging as mass brands in personal care are upgrading the look of packaging driven by the need to communicate to consumers and the need to differentiate. What was once considered "unconventional" packaging is spreading from the teen market to the mainstream and upscale arenas. More than ever before, packaging is bright, colorful, multifunctional, crazy, shocking and sur-prising.

(www.ercm-epps.com)

4.4 Pakistan's Market:

A large percentage of Pakistan's consumers refrain from using local brands. This is due to the reason that shampoos made in Pakistan carry a very low level of credibility. Even brands by renowned companies like P&G manufactured locally have a low level of credibility, as consumers are apprehensive of the quality of shampoos made locally. A substantial portion of people prefer foreign brands despite the fact that these brands at times cost almost twice as much as local brands.

There is an increasing awareness amongst both genders in terms of the Hair Care segment. Multinational companies have started arranging hair workshops to promote their brands. Visits of foreign stylists are arranged for testimonial promotions. These help create a reliability factor in the minds of the consumers. MNCs operating locally come up with a variety of promotional activities ranging from free shampoos and blow-drys in leading salons to price reductions and free gifts.

The emphasis on Hair Care has risen to a great extent over the past decade especially in males. During the early 80s men were not very conscious in terms of hair care but from late 90s the trend for hair care for men has increased tremendously. The availability of a large variety of hair care products and hair styling products has greatly revised the statistics of customers of shampoos and other Hair Care products.

4.5 Forecast for the Future:

The continued trend toward innovative, premium Hair Care products is expected to be a powerful driver of growth for the Hair Care category worldwide. In less mature markets like Pakistan's, the potential exists for increased product consumption, and growth will be driven by new product development.

4.6 Analysis of Questionnaire

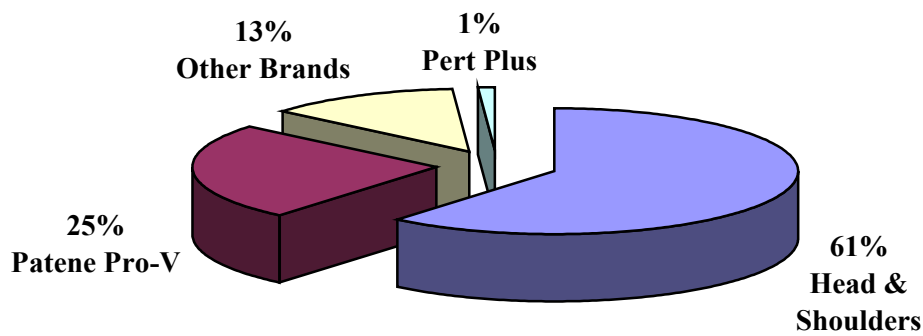Q.1. Please indicate your gender:

Males:

Fig 4.2

The chart shows that most of the males use H&S, because dandruff problem is more common in males. These results also show the equity of the brand. In this, the 25% of Pantene users go for healthy hair, as the brand promises. These consumers would prefer the brand to an extent where they would opt for the anti-dandruff shampoo under the Pantene brand name but as the result shows the percentage of such consumers is relatively low due to the strong brand association of H&S in the anti-dandruff shampoos category.

Females:

12%
Head &
Shoulders

8%
Pert Plus

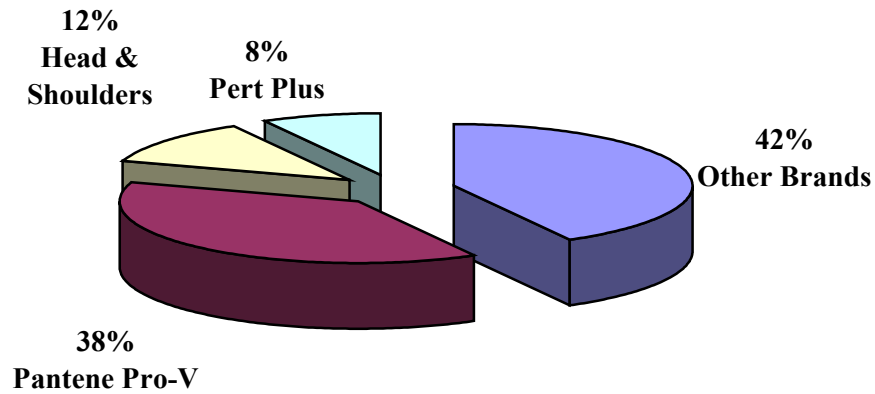**42%**
Other Brands

38%
Pantene Pro-V

Fig 4.3

In females Pantene is used more because of the aspirational value it has and also because of the brand promise of good, long and healthy hair. The target market for this brand is primarily females as is clear from the advertising campaigns of this brand. However, despite the strong brand equity a large percentage of females still prefer other brands which are primarily foreign brands or even the same P&G brands but are not manufactured locally. This is due to the low level of credibility attached to locally produced brands.

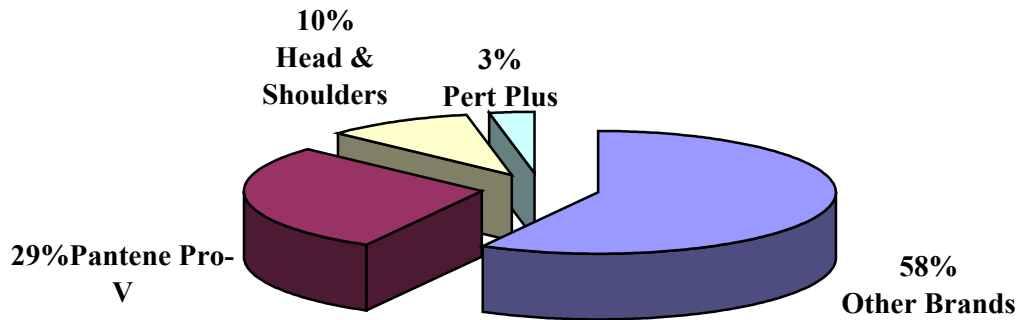Q.2. Please indicate your income group:

Rs. 40,000 and above

Fig 4.4

Rs. 40,000 and above income levels indicate that these other brands are most usually foreign brands and include shampoos like Finesse, L'oreal, Thermasilk, Frutcis and others. The rest of the mentioned brands, are of local names and are sold as per brand equity. Pantene takes a major share because of the brand value. The others are sold on their own RTBs (Reason to Believe).
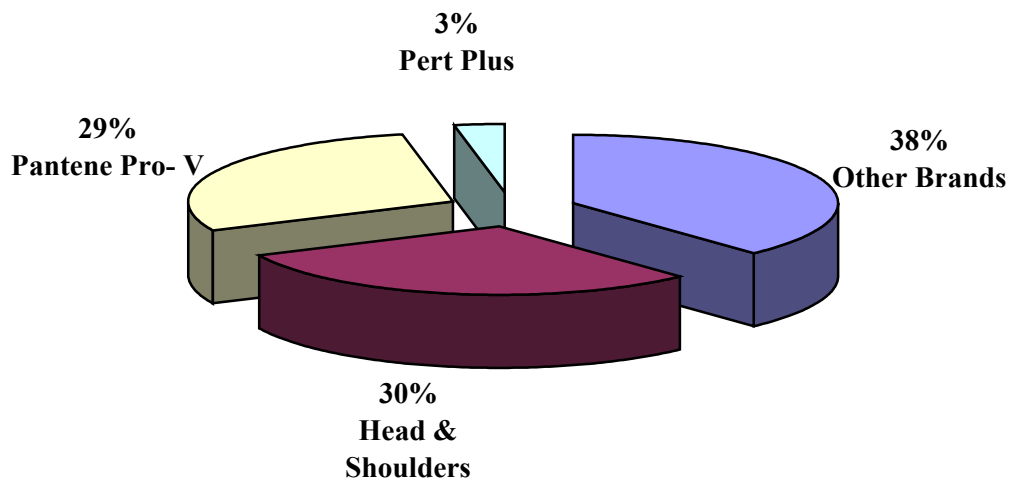
Rs. 25,000- Rs. 40,000

Fig 4.5

As the income group decreases the percentage of people using other brands comes down. The preferred brands in this group are basically Head & Shoulders and Pantene, which again indicate the strong equity of these two brands.
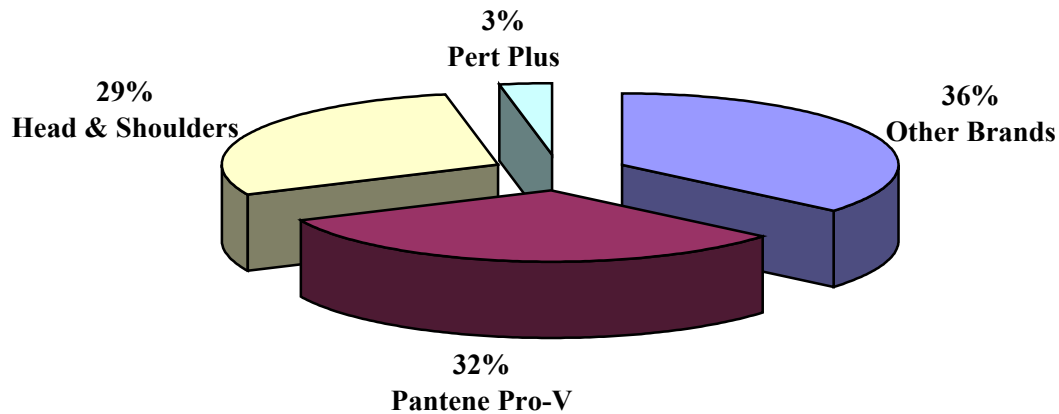
Rs. 15,000- Rs. 25,000:

Fig 4.6

Here again there is a plunge in the preference for other brands with the two leading P&G brands gaining in on consumer preference.
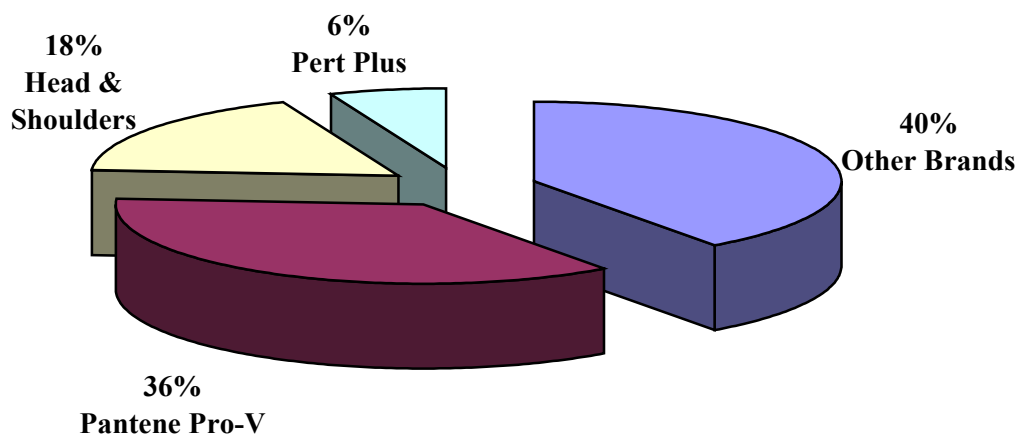
Rs. 10,000- Rs. 15,000:

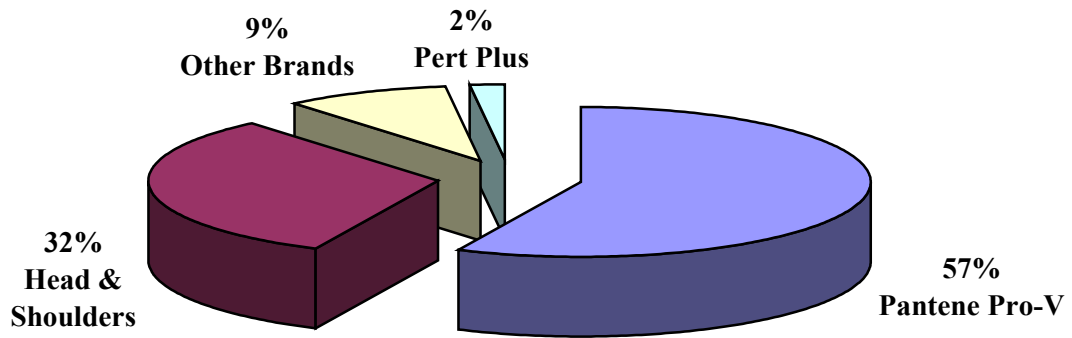Fig 4.7

Rs. 5,000- Rs. 10,000

Fig 4.8

As one goes down the income levels it is seen that the percentage of people using other brands decreases. In these groups the other brands primarily comprise of other locally manufactured brands such as Sunsilk and Medicam. Since buying power of the consumers decreases with the fall in income level the preference for foreign manufactured brands decreases.

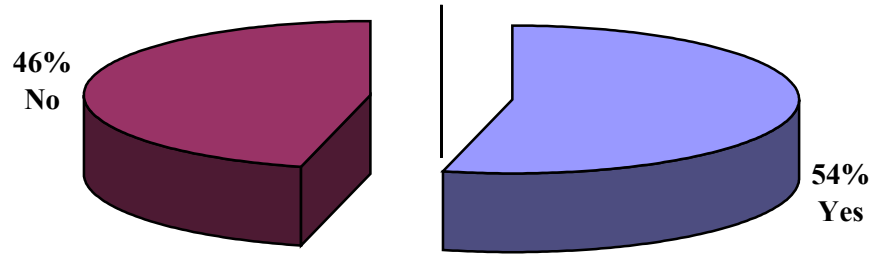Q. 3. Are you particular about the brand of shampoos?

Fig 4.9

It shows the awareness of advertising and brand equities. Due to elaborate information presented in TV commercials consumers are now much familiar with the contents of shampoos and associated benefits arising out of them. For instance, if the consumer is convinced that the only solution to his/her dandruff is H&S, then he/she will stick to it. It also shows that more and more people are becoming brand loyal and are becoming aware of the amount being spent on their preferred brands.
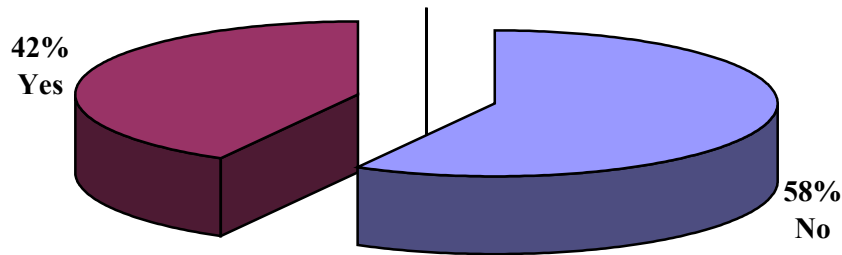
Q.4. Do you use local shampoos?

Fig 4.10

The results indicate that a large percentage of consumers refrain from using locally manufactured brands. It can be inferred that this result is indicative of the large percentage of the sample size falling into higher income groups. A primary reason for people not opting for local brands is that the absolute lack of faith the consumers have on locally manufactured products. A consumer who can afford foreign manufactured shampoo will never opt for a locally manufactured shampoo due to the perception that companies do not use the right chemicals resulting in hair loss or loss of hair color. Local companies have been unsuccessful in redefining their image and as a result have failed to establish credible brands. It can therefore be inferred that income constraints is the basic reason consumers opt for local brands.

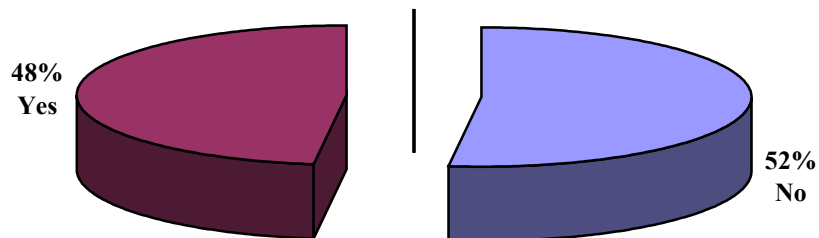Q.5. Have you ever used sachet packs?

Fig 4.11

People use if for convenience and economy as they think that a sachet packet not only costs less but also has more shampoo for a single usage. Continuing on with the trends

of consumers not opting for local brands a large percentage of consumers do not use sachet packs and are not even keen to try them out. However due to the convenience of single time usage a substantial number of consumers have used sachet packs which is promising for P&G's brands.

Q.6. Do you have a preference for the P&G brand?
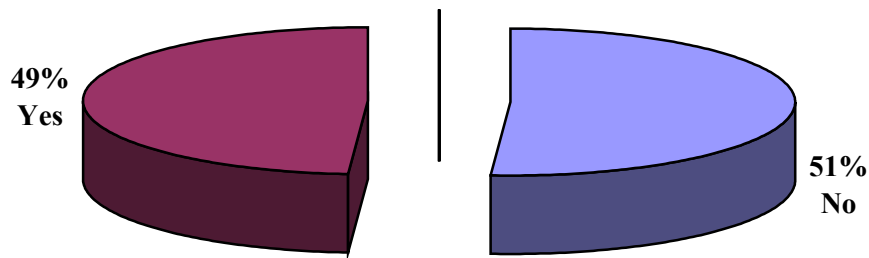
Fig 4.12

Since all the brands are marketed free from the parents brand's name the equity of the P&G brand is not being utilized fully in terms of its shampoo brands. This is primarily the reason all the extensions of the shampoo brands are carried out under the individual brand names.

Q.7. What do you associate with the P&G brand name?

Fig 4.13

The high percentage of consumers associating the brand name with quality indicates that the brand is delivering the promised results.

Q.8. Choose your preferred P&G brand?
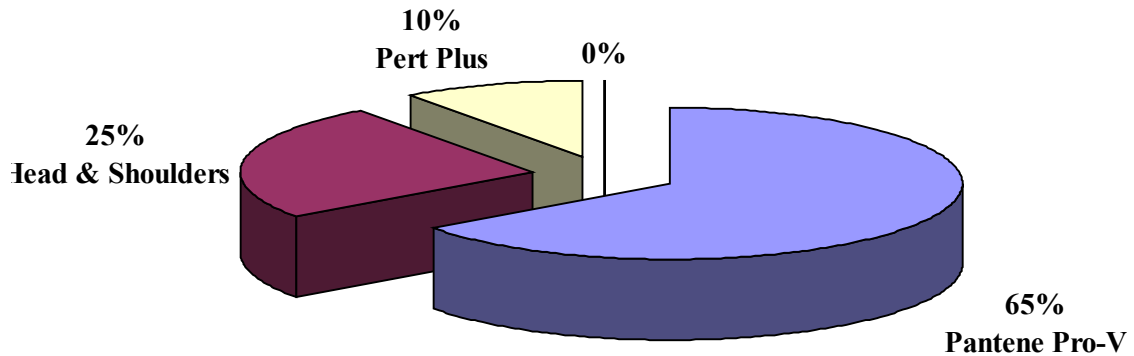
Fig 4.14

Pantene is preferred because of the brand promise of overall good hair. H&S conveys the message of dandruff only. Pantene is good and healthy hair, the tag line being *baal itnay sehatmand-kay chamakdar*. This portrays an over all scenario of the hair. The usage of all the vit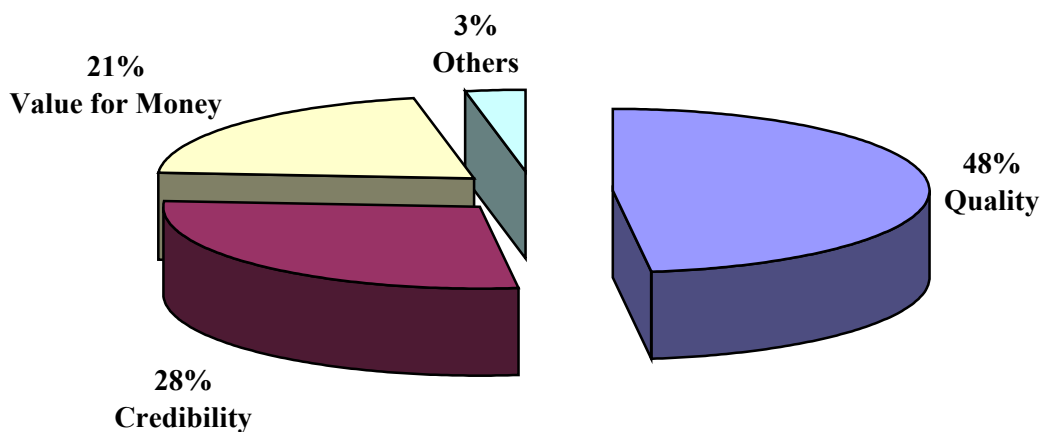amins in Pantene and the price factor it turns out to be the most preferred brand. Consumers who find it expensive, still use it because of the equity and the promise and still find it worth the money's buy. It can be used sparingly, but they still want to use "the best."

Q.9. Do you use conditioners?
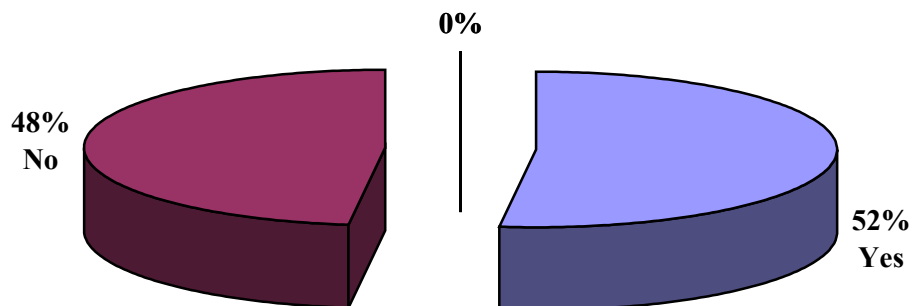
Fig 4.15

Shows the number of people who do not know what the benefits of conditioners are. A large percentage of our consumer market still does not use conditioners primarily because of the usage of various hair oils and other herbal remedies to fulfill the same

functions as those performed by conditioners. For this reason hair care companies need to highlight the manifold advantages of conditioners in their advertisements to make this (conditioner) a tactical unique selling proposition.

Q.10. How often do you change your shampoo?
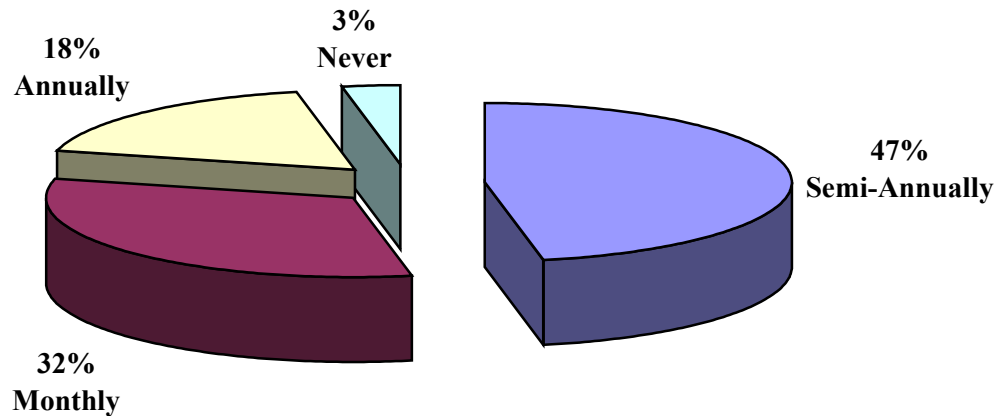
Fig 4.16

The shampoo segment is largely indicative of a variety-seeking behavior of consumers. Even consumers who are loyal to particular brands show a preference for trying out a different offering. Such consumers may revert to their preferred brands but still are open to newer products. It is for this reason that companies like P&G keep adding extensions in particular brand categories so that even if the consumer wants to switch over, it would be under the same brand category.

CHAPTER 5: CONCLUSION

P&G is the leading company worldwide in the personal care sector. P&G was the pioneer company that put brand management system into place where each of its brands had a manager assigned solely to that brand who was responsible for its financial success (Kevin Lane Keller, 1998). Procter & Gamble places huge importance on its brands.

At the heart of the marketing activities at P&G is the belief that the consumer is the boss. This is enshrined within the company values and drives it to develop new product and brand experiences, which truly improve the lives of consumers.

5.1 Brand Equity:

All the brands of Procter and Gamble in the Hair Care segment have positive customer-based brand equity as a result of which consumers are less sensitive to the fluctuations in the prices of its brands. The Marketing activities by P&G have greatly enhanced the value of its brands and have helped mould the perceptions of the consumers favorably for the brands.

5.2 Brand Association:

Brand associations of different brands are communicated explicitly to the consumers. For example Head & Shoulders is a name synonymous with the removal of dandruff. Similarly the brands associations for both Pantene and Pert Plus are very strong in terms of brand recall.

The company has successfully created demarcations to help distinguish the different brands to enhance brand loyalty. Various strategies have been successfully exploited for creating brand awareness not only through repeated exposure in terms of advertisements but also through depiction of the right circumstances for use of the products. It is for this reason that the company has made use of a number of IMC (integrated marketing communications) options ranging from advertising in both electronic and print media to workshops conducted by leading foreign hair stylists.

The impact of the company name on the creation of brand association for the Hair Care segment is not very strong. The company name serves as a weak influence in terms of contribution to the brand equity of the brands. The company is however, reaping enormous benefits due to the strength of the equity of the individual brands of the Hair Care segment in terms of both factors of growth and factors of profitability (brand loyalty, lower price elasticity and premium pricing and brand extensions.

As a consequence P&G has been able to introduce line extensions and market its brands internationally. All three of the brands in the Hair Care segment fall in the accepted brand category (as mentioned in the literature review). The favorability for these brands is high in the minds of the consumers. None of the brand names is an anathema to the average consumer.

5.3 Brand Positioning:

The brands have been positioned meticulously keeping in view the target market of each brand, the benefits being offered and the right opportunity in terms of the usage of the products. This also ensures that a customer remains within the P & G product range. As a result of accurate positioning the company has been able to gain a favorable position in the minds of its consumers, which has shown positive results viz "new customer acquisition, retention of the present customer base and enhancement in the usage of the present customer base" through emphasising "constant usage". The result of positioning of the brands is understood by the perceptions of consumers for the brands that have been plotted in the form of perceptual maps of the brands relative to other brands. (Refer to Appendix-C)

5.4 Hypothesis Test:

This research was carried out in the light of a few hypotheses. The results derived out of the research study are as follows:

- H1 = Building brands is imperative for the establishment of successful companies.

Result: Correct

Procter & Gamble has been able to establish itself worldwide due to the creation of a large number of brands in consumer product segments and positioning them

in a manner that the customers remain within the P&G product range. P&G has been able to become a household name due to the vast variety and immense popularity of its brands in all personal product segments. It is therefore concluded that this hypothesis is correct.

- H2 = Brands contribute in the Balance Sheet of a company by enhancing a company's overall assets.

Result: Correct

According to this research study all the brands of P&G carry positive brand equity. This is indicative of the fact that the consumers are less sensitive to price fluctuations. As a result of this, the company can reap profits that contribute positively to the overall Balance Sheet of the company. It is therefore concluded that this hypothesis is correct.

- H3 = A core brand can be leveraged to contribute to the overall growth of a company.

Result: Correct

This research study indicates that the company in the form of line extensions has successfully leveraged all the core brands of Procter & Gamble in the Hair Care segment. This hypothesis is thus correct, as P&G has been able to achieve and sustain its growth by leveraging brands from various categories.

Brand management is still in its early stages even though brands are a business asset now. A brand is not a product but gives it a meaning and defines its identity in both time and space. Building brands is not a matter of choice for companies anymore. It is now imperative for companies to focus on establishing strong brands to help protect their domains.

CHAPTER 6: RECOMMENDATIONS

Procter & Gamble is one of the biggest multinationals in today's world. It is a global company in the true sense of the word. The company has clearly defined policies and strategies for individual markets all over the world. In Pakistan as well the company has adopted its strategies and policies to better serve the market in order to gain maximum profits however, a few shortcomings have been noticed. In the light of these inadequacies the following factors are recommended:

6.1 Smuggled Products:

The biggest issue that the company is facing in Pakistan is the proliferation of a large quantity of smuggled products. The brands currently being marketed by the local company are being smuggled in by alternative sources. These are being sold at almost the same prices resulting in lost revenues for P&G Pakistan. Due to the low check on smuggled goods in Pakistan and absence of an effective law system, there is ample variety of shampoos that are smuggled to Pakistan and as a result are sold at lower prices. Due to this reason the sales of the company suffer.

In order to deal with this issue primarily a strict law enforcement policy should be implemented. Multinational companies like P&G Pakistan and Unilever need to push the government to impose stringent laws to protect the sale of their products and safeguard the brand equities of individual brands..

6.2 Sample Testing:

Despite the success stories of P&G, the company has had its due share of brands that failed to attract consumers and as a consequence had to be removed from the market. Brands like Rejoice shampoo and Ascend failed to gain favorable response from the target market. This is due to weak consumer assessment by P&G.

The consumer determines the product's success and how long it will remain a success. A brand will not be successful unless it has one aspect of superiority that appeals to the general public. The company should carry out a careful evaluation using testing procedures before the introduction of a particular brand. From this information, the soundest possible business judgment should be made prior to investing in

manufacturing equipment and facilities for production of a particular brand. In order to understand consumer preferences test marketing should be done in particular areas before the formal introduction of a brand.

6.3 Relevant Value Propositions:

Ascend shampoo by P&G is a classic example of a brand with a weak value proposition. The brand was marketed in Pakistan as a shampoo that made hair *blacker in a matter of weeks*. Keeping in view the psyche of Pakistani consumers, whose preferences are tilted towards dyeing their hair to lighter shades, such a proposition was sure to fail. Here again, the consumer research carried out by the company was not adequate. A complete understanding of the mindset of the target market is essential to avoid the risk of unsuccessful brands. Once a through evaluation of consumer preferences is conducted a strong value proposition should be communicated explicitly to the consumer to establish demand for the product.

6.4 Establish Demand For Related Products:

Even though the Pakistani market for hair care products is in the nascent stage, there is ample potential for products other than shampoos. A large percentage of consumers use foreign manufactured conditioners. P&G Pakistan can encash on this segment of the market by diversifying into other products such as conditioners and styling products (gels, mousse, hair sprays etc.)

6.5 Strengthen Weak Brands:

Currently three brands of shampoos are being marketed by P&G Pakistan, out of these brands; Pert Plus has failed to gain the required consumer response. Even though a number of line extensions have been introduced, the brand has relatively low brand equity in Pakistan. The company has failed to establish a strong USP (unique selling proposition) of the brand. In order to justify its existence P&G should work on strengthening the image of the brand. This can be done by redefining the key benefits of using the brand.

6.6 Fake Products:

Unfortunately Pakistan is a country plagued by the evils of duplicated and fake products. Due to the weak law system prevalent in the country a large number of cosmetic products are manufactured countrywide in different areas of Punjab, Sindh and particularly in the Frontier. These are replicated to near perfection and are sold at retail outlets throughout the country. Such products are detrimental to the company not only in terms of lost sales, these also harm the image of the individual brands as consumers perceive the brands as inefficient and not up to the standards claimed by the company.

In order to deal with this issue P&G should make the consumers aware of fake products and keep specific identification marks for the genuine P&G brand. These can be in the form of brand elements, warning notes and issuance of expiry dates. This would help save the consumers from the hassle of buying duplicated products, strengthen the brands image thereby increasing the brand equity of individual brands and ultimately result in higher sales for the company.

6.7 Tap Unexplored Markets:

The Southeast Asian region offers tremendous opportunities for growth in the hair care segment. Consumers from this region especially females are very particular about using the right kind of products for their hair. P&G has so far not ventured into products with natural ingredients. Keeping in view the trend towards natural ingredients particularly in this region the company should offer products with natural ingredients. Even though a few extensions of Pantene, Pert Plus and Head & Shoulders are being marketed with natural ingredients the company has not yet marketed any of its products with special focus on natural constituents.

Appendix-A

PAKISTAN'S COUNTRY PROFILE:

Official Name	Islamic Republic of Pakistan
Date of inception	August 14, 1947
Head of the State	President
Capital	Islamabad
Area	Total 796,095 sq.km. (Provinces of Punjab 205,344 Sindh 140.914 North West Frontier Province 74,521 Balochistan 347,190 Federally Administered Tribal Areas 27,220 and Islamabad 906 sq.km).
Climate	Pakistan has a continental type of climate, characterized by extreme variations of temperature. Very high altitudes modify the climate in the cold, snow-covered northern mountains. Temperatures on the Balochistan Plateau are somewhat higher. Along the coastal strip the climate is tempered by sea breezes. In the rest of the country temperatures rise steeply in the summer and hot winds blow across the plains during the day. The daily variation in temperature may be as much as 11 degree C to 17 degree centigrade. Winters are cold with minimum mean temperature of about 4 degree centigrade in January
Population	140.5 million (2001)
Religion	Islam, 95% Muslims, 5% Others
Language	National: Urdu Official: English Regional: Punjabi, Sindhi, Pushto, Balochi, Saraiki, Brahvi, Hindko.
Currency	Pak Rupee.
Per Capita Income	US$ 443
Per Capita Income at (PPP)	US$ 2230
GDP	US$ 65 Billion
Literacy	51%
Workforce	41 million
Registered Companies	43,000+
Listed Cos	700+
Foreign Firms	600+
Industrial Estates/Zones	63
Trade	
Exports:	(Total US$ 9.12 billion 2001-02) Cotton, Textile-goods, Rice, Leather-items, Carpets, Sports-goods, Fruits and Vegetables, Fish and Fish Preparations, Handicrafts, Surgical instruments, Medical equipments.
Imports:	(Total US$ 10.33 billion 2001-02) Industrial equipment,

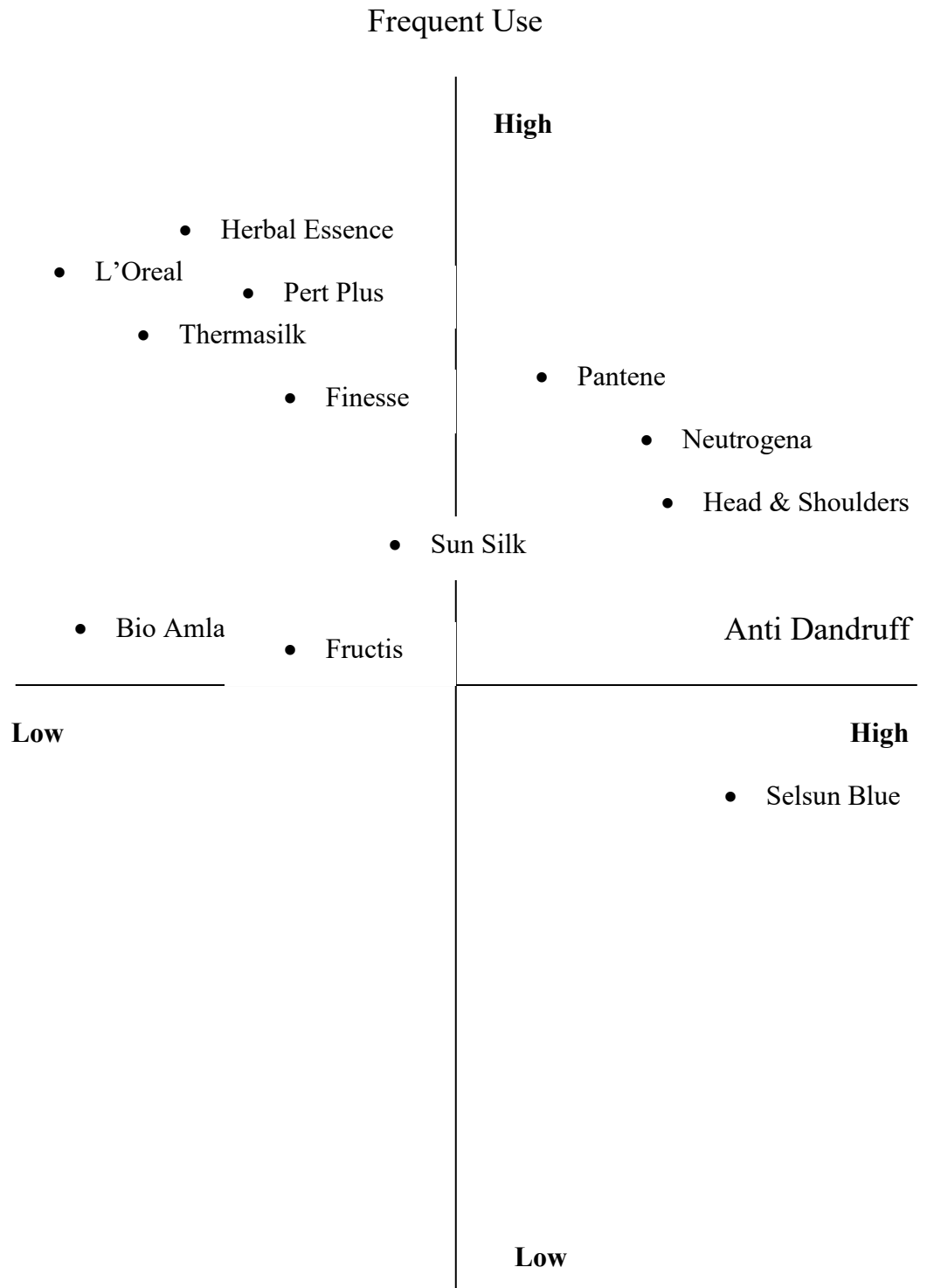| | Vehicles, Iron ore, Tea, Paper and Paper Board, Petroleum, Edible oil. |
Education	
Primary schools	169,087
Middle schools	19,180
High schools	13,790
Colleges	789 (480 malel and 309 Female)
Universities	68 (40 in private sector)
Transport & Communications	
Total length of Roads	249,959 Km.
Railways Network	7,791 route KMs
Railway stations	781
Pakistan International Airline	Covers 33 International and 21 domestic stations.
Pakistan International Airline Major Airports	Domestic Stations: Islamabad, Lahore, Karachi, Quetta, Peshawar and Gwadar
Major Seaports	Domestic: Minora, Gwadar and Pasni. International: Karachi and Bin Qasim.
Post Offices	12,234 (2302 Urban and 9932 Rural)
Telephone Connections	4.28 million
Public Call Offices	71,771
Telegraph Offices	362
Internet Connections	1.7 million
Employment	
Total Labour Force	41.54 million
Agriculture Sector	48.42%
Manufacturing & Mining Sector	11.25%
Others	40.33%
National Games	Hockey, Cricket.
Tourists Resorts	Murree, Ziarat, Hunza, Swat, Kaghan, Northern Areas.
Archaeological Sites	Moenjo Daro, Harappa, Taxila, Kot Dijji, Mehr-Garh.
Major Cities	Islamabad, Karachi, Lahore, Peshawar, Quetta, Rawalpindi, Hyderabad, Multan, Faisalabad.
Media	
(a)	Dailies 497 Weeklies-1236 Fortnightlies-270 Monthlies-2182
(b)	APP, PPI, NNI
(c)	Pakistan Television has five TV Centres: Islamabad, Lahore, Peshawar, Quetta and Karachi which cover 87% population.

Registered TV Sets	3.113 million (1998-99)
Viewership	115 million
VCRs	281,000
Radio Stations	Total 23, Home services in 21 languages dialects. External services cover 70 countries in 15 languages.
Private TV/Radio	Radio Stations 3, TV transmitter channels 2, Private News Agencies 2.
Deserts:	**Province:**
Thar	Sindh
Cholistan	Punjab
Thal	Punjab
Rivers:	**Length:**
The Indus	2,896 km
Jehlum	825 km.
Chenab	1,242 km.
Ravi	901 km.
Sutlej	1,551 km.
Beas (tributary of Sutlej)	398 km
Major Dams:	**Province**
Mangla Dam	Punjab
Tarbela Dam	North West Frontier Province
Warsak Dam	North West Frontier Province

Appendix-B

Consumer Segment / Attitudes key Needs		Segments/Brands Bought
Price/value Shoppers	Satisfied with hair.	- Value - Simplicity -Value brands
Experimenters	Try new products,styles; Highly concerned with hair/appearance; Enjoy spending time on hair Trend settlers/early Adopters.	- Indulgence -Mid,Premium,Ultra Premium - Pleasurable experience - Highly usage of all Subsegments - Performance - Variety new Products to try - Quality
Apathetic	Dissatisfied with hair; "Nothing helps"; All brands the same; Given up on improving hair.	- Value - Value brands - Basic Function-ality
Worriers	Worried about hair; Always searching for new Products to help; Work aggressively on Improving hair; Never satisfied with results.	- Variety -Premium/Ultra Premium - "Repair" Products - Customization/ Meets needs
Healthy Loyalists	Positive about hair; Brand loyal; Importance of healthy hair.	- Quality/ Performance - Ultra Premium/ Salon brands - respected brand

Appendix- C

Perceptual Maps

Frequent Use

High

- Herbal Essence
- L'Oreal
- Pert Plus
- Thermasilk
- Pantene
- Finesse
- Neutrogena
- Head & Shoulders
- Sun Silk

Low

Anti Dandruff

- Bio Amla
- Fructis

High

- Selsun Blue

Low

Value for Money

Good

- Head & Shoulders

- Sun Silk   - Pantene

- Neutrogena

- Thermasilk

- Herbal Essence

- Fructis

- Pert Plus   - L'Oreal

- Bio Amla   - Finesse   Performance

Bad   **Good**

- Selsun Blue

Bad
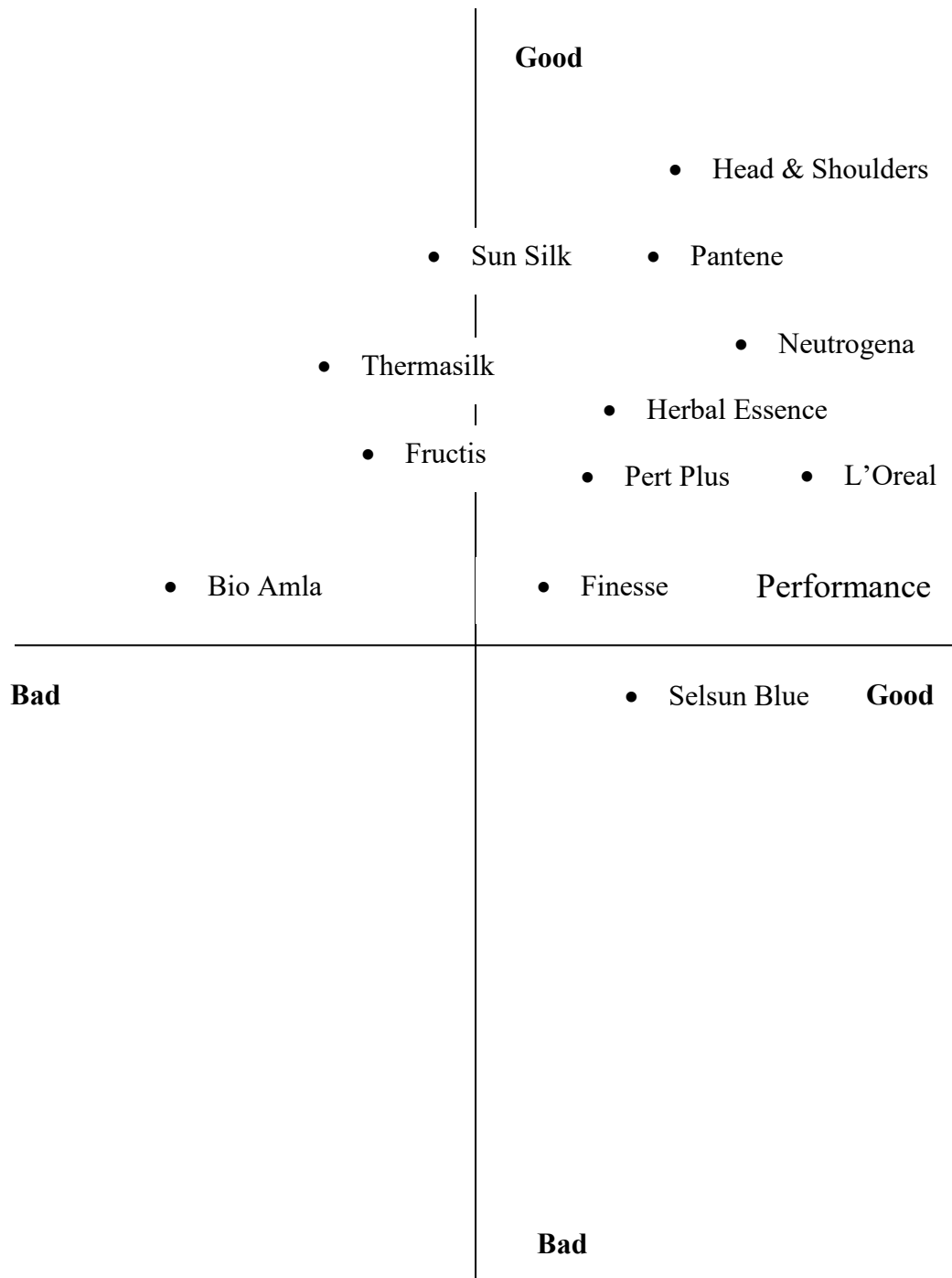
Appendix- D

What is Brand Positioning?
By
Paul Temporal

All forward-looking companies now regard positioning as the heart of competitive strategy. As the ultimate aim of any business strategy is to satisfy the customer, gaining a valued position in the minds of customers is essential. Some people argue that branding is really positioning, stating that unless a brand has a position, it has no unique value in the minds of consumers. You can establish a brand personality, and through precise market segmentation identify and reach your target audience, but what links them together is positioning the brand in the minds of that audience. But, what is a position and how do you arrive at a good strategy for achieving one?

The branding process seeks to create a unique identity, for a company, product or service, which differentiates it from the competition. And every brand has to have a strategic platform. One half of that platform is created by carefully formulating a distinct brand personality, which makes the identity of the brand unique. The other half of the strategic brand platform is positioning. Positioning is critical to brand building because it is responsible for projecting the brand identity and creating the perception and image of the brand in people's minds. In other words, positioning is the process of offering the brand to the consumer. It is positioning that makes the brand appear to be different and better than all competing brands. The key points to note about positioning are:

- it is a strategic, not a tactical, activity
- it is aimed at developing a strategic, sustainable competitive advantage
- it is concerned with managing perceptions
- brand image and reputation are the result of the positioning process

Positioning is normally carried out using brand communications, but sometimes it is tempting for companies to try and step away from the brand position in an attempt to reach a different target audience. So can a brand only position itself in one way? How many positions can a brand have?

Positioning is the outward expression of a brand, and the reality, therefore, is that a brand can only have one true position. As positioning presents the identity and personality of the brand to the outside world, a multiple personality would seem odd at the very least, and at worst, schizophrenic. Consumers make brands famous for many reasons, of which the most important is that they come to trust brands as friends. That is why deciding on the brand-positioning strategy is such an important part of brand strategy. However, there are ways in which the brand may be presented differently to various target audiences. The success of this depends on an accurate judgment of the segments that exist in the market, and the segments' precise needs and wants.

For example, a chocolate-based drink may have a central positioning of nutrition. This could be presented as an energy-giving drink for active people, a dietary supplement for the elderly who have trouble eating many solid foods, an essential growth

supplement for youngsters, and a relaxing drink for tired people before they go to bed. By appealing to these various segments, we have not stepped away from the central positioning.

Appendix-E

(Attached)

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List of Figures

Abbreviations & Glossary

- MNC- Multinational Companies
- RTB- Reason to Believe
- H&S- Head & Shoulders
- USP- Unique Selling Proposition
- IMC- Integrated Marketing Communications
- P&G- Procter & Gamble
- FMCG- Fast Moving Consumer Goods
- ROI- Return On Investment
- Sample- A subset or some part of a larger population.
- Hypothesis- A probable answer to a research question.

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