

A STUDY OF BRANDS IN THE FOOD AND BEVERAGES INDUSTRY OF PAKISTAN¹**Nida Aslam Khan**

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Abstract

This research paper is an attempt to delineate on whether 'the traditional development of brand loyalty in Pakistan dying?' is a marketing issue or not. It is written with Pakistani content and draws its root from a book 'Taking Sides- Clashing Views on Controversial Issues in Marketing' written by Macchiette, B., & Roy, A. (2001). Taking Sides Clashing Views on Controversial Issues in Marketing. USA: McGraw- Hill/Dushkin. This research paper explores whether a difference exists between local and global brands in the Pakistani Food and Beverages Category or not where arguments are presented for and against the topic. The information is gathered from In-depth-interviews with professionals associated with 6 top brands in the Food and Beverages Category in Pakistan, data focus has been given to brand loyalty in Pakistani context.

Two models of Brand Loyalty are presented using which the subsequent analysis of the case question is performed. The first of the two models to establish the concept of brand loyalty are from 'Antecedents of True Brand Loyalty' and the second model is 'The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty'. Research was based on the findings that were generated with a limited number of brands in focus. For secondary research, data has primarily been gathered from issues of DAWN Aurora magazine - A Dawn Media Group Publications on ideas and marketing approaches in Pakistan published by Herald Publishing.

Keywords: Brand Loyalty, Brand Equity, Attitudinal Loyalty, Purchase Loyalty, Patronage Behavior, Relative Attitude, Brand Trust, Price Consciousness

1. Introduction

Brand Loyalty is an intangible asset of an enterprise with a great value. In a dynamic environment, it is imperative to create a strong brand which is based on brand loyalty, brand awareness and image, perceived quality, brand associations, and other proprietary assets, such as patents, trademarks, and channel relationships. These assets provide various benefits and value, which results in strong brand extensions and right skills and originality of its creators. Brands are unique in that they create value for both the organization and its customers. No other business asset is quite like a brand. Strong brands engage customers, capture their imagination, and foster loyalty by their promise of quality, consistency, and character. For an organization, brands can shift the demand curve positively, enabling higher prices, margins, or volumes than it would otherwise achieve. Scott Davis, in his book Brand Asset Management describes importance of Brand Positioning as "A strong brand position means the brand has a unique, credible, sustainable, and valued place in the customer's mind. It revolves around a benefit that helps your product or service stand apart from the competition." Brand loyalty is the marketers' Holy Grail (Kapferer, Mar/Apr2005). It is the biased behavioral response expressed over time by some decision making unit with respect to one or more alternative brand out of a set of brands, and is a function of psychological decision-making and evaluative processes (Mellens, Dekimpe, & Steenkamp, 1996).

Local brands have been discussed in the section where Pakistani context has been alluded upon; their names and details are as follows respectively: *Candyland*- a successful Pakistani brand of confectionary products, *Capri*- soap manufactured by Zulfeqar Industries, *Energile*-powdered flavored drink manufactured and marketed by Unilever, *Hamdard*- one of the pioneers in manufacturing of herbal formulations,

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used as an umbrella brand for their other myriad brands, *Engro Foods*- part of Engro Corp Pakistan, *Olpers-UHT* all-purpose milk by *Engro Foods*, , *Olwell*- high calcium, low fat premium quality milk for the health conscience by *Engro Foods*, *Hilal*- a large manufacturer of confectionary products, *Mobilink GSM*- a subsidiary of Orascom Telecom Egypt, *Indigo*- a prepaid cellular service brand offered by Egyptian Telecom company Mobilink GSM, *Jazz*- a postpaid cellular service brand offered by Egyptian Telecom Company Mobilink GSM, *National*- brand of packaged foods ranging from jams to ready-made to recipe mixes, *Shan*- an extremely popular brand of local cuisine recipe mixes by *Shan Foods* Pakistan, *Tapal*- the largest selling local brand of tea in Pakistan, *Sunsip Limopani*- lemon flavored powdered drink offered by *Sunsip*, part of the *Hilal group of companies* Pakistan, *Mitchell's*- brand name of MITCHELL'S Fruit Farms Ltd, oldest food company in Pakistan, *Pakola*- green colored carbonated soda drinks, manufactured by Mehran Bottlers Pakistan , *Shezan*- brand of fruit juices and some other packaged food products by Shah Nawaz Group of Companies Pakistan, *Tibet*- beauty soap manufactured by Kohinoor Industries Pakistan, *Tullo*-edible oil manufactured by WazirAli Industries Pakistan and famous Pakistani celebrities are *Shan* and *Reema*.

1.1 Brand loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity (Mellens, Dekimpe, & Steenkamp, 1996). Factors that influence brand loyalty are: (1) the number of brands available for a consumer to choose from (2) the frequency of purchase of a particular brand (3) perceived differences among brands (4) level of involvement with the product or service category (that is, a high involvement or low involvement product). The higher the level of involvement the higher the brand loyalty potential in a particular category (5) likelihood to reevaluate (how prone are consumers to reevaluate their current buying choices) (6) level of perceived risk of switching from one brand to another, or of purchasing a particular brand (7) brand benefits (8) commitment to a brand. (Driggs, 2007) Brand Loyalty varies from category to category: (1) Fairly high levels of loyalty are evident with products that are geared to personal tastes (e.g., toothpaste, shampoo, bath soap) or when there are a few dominant brands (e.g., camera film) (2) Levels of loyalty are lower among products that are purchased infrequently (e.g., athletic shoes, batteries, tires, TV sets) (Schiffman & Kanuk, 2004).

1.2 Categories of Brand Loyalty: Strategic decisions are directed to create a real brand loyalty. There are several categories of brand loyalty that could be differentiated: (1) real focal brand loyalty (focal brand is brand of special importance) (2) real several brands loyalty including the focal brand (3) unfair repeated buying focal brand (4) casual buying focal brand from both loyal and unfair customers of other brands (Mellens, Dekimpe, & Steenkamp, 1996). Refer to Figure 1.

1.3 Intrapersonal and social factors affecting brand loyalty is evident in the following variables (Moschis, Moore, & Stanley, 1984): (1) Socio-Economic Class; an increasing socioeconomic status leads to an increased exposure to brands, which are more likely to be consumed and preferred and it is positively linked to brand preferences and brand loyalty. Thus, a positive relationship between the adolescent's socioeconomic status and brand preferences and loyalty is expected (2) Maturation: cognitive development theory suggests that a person's cognitions undergo formation and change during adolescence. This notion suggests that the adolescent's increasing experience with the market place, which is associated with increasing variety of needs for products and services, is likely to result in formation and change in her cognitive structure, which may include aptitudes for brand attitudes. (3) Peers: peers are believed to be a significant source of influence of socialization, especially among adolescents. An adolescent's need for independence from their parents leads them into establishing a dependence on her peers. The movement away from parents toward peers may lead to greater reliance on peers for consumer information and decisions including brand preferences as well on the adolescent's tendency to use peer brand preferences in evaluating products. (4) Mass Media: Refer to **Figure 2(a)** and **Figure 2(b)** for diagrammatic presentation of two models relating mass media to brand loyalty.

1.4 Brand Equity and Brand Loyalty (Johnson, Herrmann, & Huber, 2006): Brand equity is defined as “the differential effect of brand knowledge on consumer response to the marketing of a brand”. Particularly relevant to brand equity is the degree of personal identification with a brand and its relevance to a customer's. It is this identification or personal “fit” with a brand that helps create the differential effect of brand equity on intentions beyond the effects of performance or relationships per se. There are two approaches to measuring brand equity: indirectly through brand knowledge (brand awareness and image) and directly through the impact of brand knowledge on customer responses.

1.5 Brand Loyalty Leading to Brand Equity: Price premiums and market share have been closely associated with the increasingly salient concept of brand. These outcomes, which in turn drive brand profitability, depend on various aspects of brand loyalty (Chaudhuri & Holbrook, 2001). Brand loyalty is witnessed by repeated purchases of the brand by the consumer. However, brand loyalty requires more than repeat purchasing. Research has shown that it is brand sensitivity that separates repeat-purchasing from true brand loyalty. Sensitivity includes both repeat-purchasing and consumer attitudes about the brand. It relates to the consumers' attitudes about the brand compared to alternative brands for the same product (Kim, Jon D., & Swait, 2008). Therefore, the notion of brand loyalty includes both purchase loyalty and attitudinal loyalty.

1.5.1 The first of the two models that are presented in this study is to establish the concept of brand loyalty presented in 'Antecedents of True Brand Loyalty' written by Kim, J., Jon D., M., & Swait, J. (2008) in an award winning research paper. According to this model, there are many factors that may lead to changes in true brand loyalty, which are as follows (1) Brand commitment in which consumers pledge or bind themselves to purchase the brand (2) Attitude strength in which the consumers' attitudes are extreme, intense, certain, personally important, and knowledgeable (3) Cognitive brand conviction pertaining to the consumers' subjective certainty (thinking their view is correct), ego preoccupation (thinking about the brand often), and cognitive elaboration (claiming to have more knowledge about the brand than others). This relates to the conviction of the consumer that his view about the brand is right and based on knowledge-based evaluation (4) Affective brand conviction pertaining to feelings of pleasure, arousal, and dominance about the brand (5) Brand credibility pertaining to the consumers' personal history of experience with the brand. **Refer to Figure 3.**

1.5.2 The relationship between the factors delineates on the previous experiences with a brand cause greater levels of affective conviction than cognitive conviction. Affective conviction has some influence on cognitive conviction. These convictions almost equally lead to attitude strength, which strongly determines brand commitment. It is then this level of brand commitment that leads to true brand loyalty. This means that advertisers and companies should strive to create as much credibility about the brand as possible. This can be done by delivering what is promised, producing believable ads and claims about the brand, and striving to improve brand quality over time.

1.5.3 The other model focuses more on the components of brand equity. The major factor which makes this model extremely relevant is that it explores the presence of utilitarian value (the functionality level of the product) versus the hedonic value (the pleasure giving aspect of the product) in terms of their effect on brand affect (feelings of emotional connection and arousal towards the brand). It then explores external factors like 'Share of Voice' and 'Differentiation' and how they ultimately lead to the outcomes of higher market share and higher relative price acceptability. **Refer to Figure 4.**

1.5.4 Every level in the model presented by Holbrook and Chaudhuri, is necessary to comprehend the chain of effects from the product-level, category related control variables (hedonic and utilitarian value) at one end to the brand performance outcomes at the other (market share and relative price). The product level controls that the first model questioned, the results of this research paper showed that different product-category characteristics influence brand trust and brand affect (feelings of affection and emotional connection with the brand) differently.

1.5.5 Brand trust (trust in the reliability and performance of the brand) and brand affect (feelings of affection and emotional connection with the brand) are each related to both purchase and attitudinal loyalty. Brand trust and brand affect appear to serve as key determinants of brand loyalty or brand commitment. Brand trust leads to brand loyalty or commitment because trust creates exchange relationships that are highly valued by both the customer as well as the marketer. However, brand trust and brand affect are separate constructs that combine to determine two different types of brand loyalty—purchase loyalty and attitudinal loyalty—which in turn influence such outcome-related aspects of brand equity as market share and relative price, respectively. Brand differentiation may justify a higher relative price, and a share of voice may reflect differences in advertising expenditures and therefore may also tend to affect relative price.

2. Is Declining Brand Loyalty - a Myth: Some researchers and marketers are of the view that brand loyalty trends are not declining. But rather, marketers' awareness of what brand loyalty levels really are may be coming closer to the truth of what these levels have always been. Most of the decline seems to relate to share losses. Some of these share losses may be a function of the marketers' own strategies at segmenting categories (Tod, 1984). **Refer to Figure 5.**

2.1.1 If a cursory comparison is done with the current Pakistani market, it can be safely said that it is between the first two stages, Birth of Brand Loyalty and Golden Age of Global Brands. This is because although brands are serving to distinguish one product from another and consumers do repurchase the same brand due to increasing loyalty, brand loyalty in Pakistan is still in its take-off stage where a high incidence of sole loyalty is yet to be achieved. Two key factors influence the brand loyalty life cycle: (1) Differentiation: in order to achieve brand loyalty, marketers are trying to create brands with “perceived differentiation” (2) Brand Promise: brand identity is the total proposition that a company makes to consumers- the promise it makes. **Refer to Figure 6.**

3. Declining Brand Loyalty-a Reality: In almost equal proportion, research suggests that brand loyalty is currently decreasing. Some of the reasons are as follows (Tod, 1984): (1) increased emphasis on promotion spending relative to advertising spending, the promotional strategies tend to encourage brand shifting while advertising strategies tend to create loyalty. It is, therefore, easier to assume that promotional strategies have reduced brand loyalty as they have grown in importance relative to advertising agencies (2) Much greater consumer price awareness (3) Major product advantages and differentiations becoming less real, and where they are real, they are usually less long-lived (4) Direct brand comparisons in advertising. (5) The segmentation of several categories into more specialty niches (6) Restriction of choices by marketers. It states that as long as marketers try to win consumers' loyalties by restricting choices, marketers will only succeed in encouraging consumers to try and experiment with as many brands as possible. (7) Greater versatility and less loyalty in consumers than ever before.

4. Brand Loyalty in Pakistan: Marketing is still in its evolution stage in Pakistan thus branding is yet to take a full swing in the market. Previously most marketing efforts were sales oriented but now companies are moving towards branding as the new competitive advantage. The new success weapon is to develop a new and powerful brand. Branding is still in its initial stages. As of now we have powerful local as well as global brands such as *Olpers* by *Engro Foods Pakistan* and *Sunsilk* by *Unilever Pakistan* (Zulfiqar, 2007). Also, their consumers have become more aware of the branding phenomenon as a result of brilliant communication strategies being adopted by companies. It is no longer just a sell, sell, syndrome but rather creating a memorable brand that is tied to the psyche of the consumer. Conventional marketing circles still believe that branding is a brain washing device, trademarks and positioning rake the brand forward, target market is an isolated demographic that works on frequency and habituation and based on the classical approach to advertising it should reflect the social trends rather than being inflective. (Hamidi, 2002)

4.1.1 Now ideas in form of packaged goods can be the brand such as personalities of popular stars like that of ‘*Reema*’ (Siddiqui, 2007), or an idea that people are willing to adopt can be branded such as health consciousness. Branding is now moving towards the concept of niche branding and targeting trendsetters such as ‘*Olwell*’ that is for people who believe in living a glamorous lifestyle and who make an effort to achieve it by being health conscious (Qahar, 2007). Recently there’s been a shift away from product branding to corporate branding. Also branding has taken a shift where the social value of a brand is something that cannot be ignored anymore. Marketers are working towards harnessing the cultural power of brands to effect a positive social change (Azhar & Mahmud, 2004).

4.2 Dominant factors in the local customer purchase decisions: Even now the Pakistani consumer remains a price conscious consumer as most decisions are focused on price. Product quality remains a critical element to the mix. Pakistani market, cultural and social factors also play a very important role in purchase decisions. In fact, in Pakistan market buying decisions follow a pattern where initially consumers are influenced by personal factors which includes our age, occupation, financial standing, life style, then cultural factors which include, sub-cultures and social classes, followed by social factors of status, role and various reference groups. Once the market is fully developed the psychological factors affect consumers’ purchase decisions. This is when the market has sophisticated and the consumers buy products based on perceptions, beliefs and attitudes (Qureshi, 2002). The market is very sensitive, group of elements that constantly change the mix for consumers purchase decisions; it could be religion, politics, price or anything else depending on the type of product and current situation prevailing in the market.

4.3 Brand Consciousness in Pakistani Consumers: The Pakistani consumer is brand conscious but not at large, rather in specific segments. The urban majority is more brand loyal and thus more conscious. The metropolitan cities are a prime venue of the brand conscious class.

The elite with excessive disposable income tend to be more brand conscious about their food and daily wear. Even rural masses have shown a degree of brand loyalty and consciousness that is greater than average. Brand consciousness in the past was a privilege of the elite but now, brand consciousness has become more widespread as more and more people have become capable of purchasing top brands' products.

4.40 Purchase loyalty versus Attitudinal loyalty in Pakistani Consumer (Qahar, 2007): It is impossible to define the Pakistani consumer in a blanket statement. It is more of a product wise case where the level of involvement plays a major role. The type of loyalty varies from one product to another. Focus on just one single domain does not guarantee success and thus, a marketer should try to strike a balance. Attitudinal loyalty is critical to sustain consumer and build that strong bond of a relationship whereas purchase loyalty is what will bring them to the marketer. The lack of action in one domain will cause decline in the other. As a nation, Pakistanis are by nature very emotional, and thus what clicks more is an attitudinal loyalty.

4.5 Role of Price Consciousness in building brand loyalty (Saad-ul-Hasan, 2007): It plays a very critical role in building brand loyalty for the Pakistani consumer as price consciousness is a key attribute of a typical consumer. Building brand loyalty helps to smoothen out the impact of price consciousness in consumers. When trying to establish a new brand a marketer will always try to keep the price within an acceptable range so as to generate trail. Also, price consciousness does not work in isolation but its effect is rather a result of other factors that persist in the market at that time such as economic condition or political situations which indirectly affects price.

4.6 Building brand loyalty in Customers: The main effort has been to provide a quality product and then have a clear positioning in mind that is complemented via a communication strategy. The brands are being established in the minds of consumers using colors, products, logos, music, slogans as well as icons. Some companies such as *Tapal* (Shehryar, 2007) and *Shan Foods* have established benchmarks with ethnocentric themes of patriotism in their branding strategies (Saleh, 2006). Marketers have also started using multi-cultural brand equity as a new tool to enhance power and reach in the market, of late there is a move towards building brand mythology understanding the cultural facets of different generations (Alvi, 2005). Focus is on forming brands that are iconic in nature that is they forge a deep connection based on culture and society with the consumer so that they are hooked to it. Companies have become more non-conventional, and the marketer has to be an imaginer (Awan, 2007).

4.7 New avenues of focus for branding: Colors is one strategy most widely used by companies in Pakistan and a clear example would be '*Pakola*' (Siddiqui, 2007) for the green, '*Indigo*' (Siddiqui, 2007) for the violet, '*Jazz*' (Siddiqui, 2007) for red, '*Lipton*' for yellow and so on. It is most effectively used on outdoor media and in advertisements. Next are logos which give brands flexibility and marketability, they are like concrete marks left on audience imagination. Next, most important is music or jingles as sounds have high retention property; success in this forum has been Lipton's local jingle "*Chai chahiye*" which implies that 'I want Lipton tea only' or '*Sunsip's Limo Pani*' (Qahar, 2007). Slogans tend to leave a recall value with the customer, how masses remember Surf Excel's, flagship detergent brand of Unilever Pakistan, tag line "*Surf Excel hai na*" which implies that 'Surf Excel is always there to solve your problem'. Recently, there has been a greater use of icons in advertisements these brand endorsement by celebrities are the big hit such as *Shan* (celebrity) in Indigo or '*Reema*' in Lux. (Yousaf, 2007) Packaging is crucial to brand trust as it becomes the new silent sales person. Packaging plays an important role in creating brand awareness while leaving no ambiguity about the brand. (Hasan M. , 2004)

4.8 Promotional tactics: According to Makani (2002) 'When consumers make decision at the point of purchase brand we would rather use brand recognition (Makani, 2002)'. This applies to most low involvement level products. However, when decisions are made prior to the point of purchase then brand recall is more in focus. In brand recognition, advertisement has high visual exposure to the brand name and its key identifiers. It also requires a greater media exposure to build and sustain a brand attitude. There is a new opportunity to have a locality-by-locality tribal marketing system using the internet which allows the marketer a level of customization that was never available before (Siddique, 2007). Another new concept taking hold is that of target selling, which is staying in touch with customers and managing relationships at potentially more efficient costs (Yousaf K. , 2007). The focus is on brand communication that reaches out to the youth segments. There is emphasis on organizing on-ground activities at top retail stores, more of a move towards BTL activities such as free sampling and giveaways by companies like Nestle and *Tapal* in Karachi and Lahore (Adil, 2006). In the ice cream industry, competitors are planning to out do each other by using a wide range of promotional tools. Almost 30 % of the budgets are allocated to BTL activities (Arshad, 2002).

4.9 Brand equity, relationship and connection with customers: Psychologically the Pakistani consumer has always been beholden to foreign brands and these brands have enjoyed a superior quality perception. Local brands have worked on using a clear strategy to build brands in the Pakistani diasporas. Internationally, these brands have an ethnic power based on a burgeoning growth and demand for them (Wasay, 2004). Pakistani society is moving from a “We” society to an “I” society and thus there is a lot of differentiation in demand leading to fragmentation. The standards of marketing have definitely improved but what the marketers are still lacking is an integrated approach to bringing everything together.

5. Methodology: The information is gathered from in-depth-interviews with professionals associated with 6 top brands in the Food and Beverages Category in Pakistan, data focus has been given to brand loyalty in Pakistani context. Two models of Brand Loyalty are presented using which the subsequent analysis of the case question is performed. The first of the two models to establish the concept of brand loyalty are from ‘Antecedents of True Brand Loyalty’ presented by Kim, Morris and Swait (Kim, Jon D., & Swait, 2008) in an award winning research paper; and the second model is by Arjun Chaudhuri & Morris B. Holbrook in their paper ‘The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty’ (Chaudhuri & Holbrook, 2001).

5.1 Local brands and celebrities have been specifically discussed and alluded upon their details are given in the introduction. The research collects primary information from only two local brands was available, as opposed to four global brands. This unequal distribution may have led to a narrow focus on the opinion held by the local brand managers. Research was based on the findings that were generated with a limited number of brands in focus. For secondary research, data has primarily been gathered from issues of DAWN Aurora magazine - A Dawn Media Group Publications on ideas and marketing approaches in Pakistan published by Herald Publishing.

5.1.1 Limitations of Methodology: Brand loyalty is a very abstract concept and is seen and approached by brands differently across product categories and sub categories, however, a blanket statement can not be passed regarding the issue. The research collects primary information from only two local brands as opposed to four global brands. This unequal distribution may have led to a narrow focus on the opinion held by the local brand managers. Research was based on the findings that were generated with a limited number of brands in focus.

6. Exploring the Issue: The argument that ‘Does brand loyalty differ across local and global brands in the food and beverages category in Pakistan?’ is discussed with for and against this issue are presented and a conclusion is derived from the arguments at the end. For high involvement category, the consumers trust global brands more than locally manufactured specially in food and beverage as it is a very high-involvement product. For such high involvement products, the product quality is the only determinant of what brand does the consumer stay loyal to (Qahar, 2007). From this aspect, due to many factors, global brands in Pakistan have more consumer trust. It is thought that international brands will follow the international quality standards and therefore, a local brand has to work harder to establish the same trust in consumers, where global brands have a built-in advantage. Shan Foods through continuous product development, been able to attract sufficient brand loyalty. As presented in the model, the brand trust interacts with brand affect to produce a more favorable response by the consumer and ultimately leads to both; more purchase loyalty as well as high attitudinal loyalty (Chaudhuri & Holbrook, 2001). According to Saad ul Hasan: ‘Shan is a high involvement product which necessitates the existence of a strong product in order to retain our consumers and develop brand loyalty’ (Saad-ul-Hasan, 2007)

6.1 Local brands not making use of experiential marketing & other interactive media: Global brand such as Cadbury and Nestlé tend to have a greater budget in terms of trade as well as marketing spend. Local competitors like Candyland cannot afford to promote or advertise as heavily as these brands can. For food and related products, experiential marketing and other forms of interactive media is much more effective in establishing loyalty than mass media such as advertising.

Interactive media campaigns are much more expensive and cannot be carried out into large segments of society, local competitor brands do not have the resources to come up with such campaigns to create a brand experience. Even though they have quality products, the brand image and already established loyal customer to the other brand makes it harder for them to get the consumer to switch brands (Zulfiqar, 2007).

6.2 Higher Income Groups are more brand loyal: This segment can afford more brand choices and hence base their behavior on their attitude. For them attitudinal loyalty is high (brand commitment is more) rather than price factors. This attitudinal loyalty also leads them to pay a higher relative price for the brand.

Higher Socio Economic Class (SEC) can afford to be true loyal to a global brand versus a local brand (Siddiqui, 2007). These groups are also more image conscious since they have more money on their hands they usually prefer to buy global rather than the local brands. They also are attracted towards a global brand due to brand image and 'international' tag, which plays a major part in determining the consumption behavior of the Pakistani consumer.

6.3 Pre-established international brand name: International taste and image helps in creating a particular brand image for the product, especially in the confectionary category. Consumers have developed taste for particular global brands which gives them an edge over the local companies. This edge may be due to the established taste, associated quality or good memories with an international brand which was given to them by their relatives from abroad. Consumers associate a certain amount of quality with goods that have a foreign countries backing and are generally obsessed with brands, as they feel happier when a product does not have a label 'Made in Pakistan' on it. This works to the advantage of the global brands (Saad-ul-Hasan, 2007).

6.4 Local brands do not tend to innovate as much as global brands do in terms of functionality and emotional connections. However, it is very important for brands to keep innovating and differentiating in order to create a long term loyalty base. In confectionary products specifically, loyalty does not stay with one product or brand for very long. Unless these brands innovate and change to keep up with changes in the consumer tastes, they lose their loyalty base. However, Shan Foods would serve to be a case in contradiction, where a local brand has been able to acquire sustainable, long term brand loyalty due to an excellent product offering. Now, considering that brand loyalty does not differ across global and local brands in food and beverages category:

6.4.1 Brand Loyalty varies on a case by case basis: The brand loyalty varies on a case by case basis depending upon the brand and the strategy it employs in creating brand loyalty. Lipton is a huge international brand and positions itself in an entirely different manner and plays on urbanity and individuality; whereas *Tapal* plays on tradition and family values Lipton. Same is the case for *Shan* and Knorr, both are very strong brands in terms of loyalty. In the same context, brand image is the most important means of determining brand loyalty. High association was also found between brand image (leading to brand loyalty) and extrinsic factors such as packaging of the product. So basically brand loyalty is more determined by the image that has been created for the brand than by whether it's a local or global brand. (Zulfiqar, 2007)

6.4.2 Consumers are not ethnocentric; it is an advantage lost for local brands. Existing difference between local and global brands may propose would be that of ethnocentrism favoring local brands. Ethnocentrism is basically the favorable attitude towards a brand or a product that stems from patriotic feelings. In Pakistan however, if anything, consumers are '*non-ethnocentric*'. They mostly prefer global brands over local brands any given day. This way, an in-built advantage of local brands is lost and they have to compete with global brands on an equal footing on branding efforts.

6.4.3 Share of Voice and Differentiation: As mentioned previously in the case, differentiation of the brand has to surpass the 'differentiation on functionality' and true brand loyalty exists when brands are differentiated on the emotional connection they create with the customer. If one looks at the second model (Chaudhuri & Holbrook, 2001) share of voice leads to both, a higher market share and a higher relative price for the brand. The emotional differentiation can only be firmly established through a higher share of voice. *Olpers* has a much higher share of voice than *Milkpak* by Nestle and brand switching has rapidly been from the global brand to the local brand because of the high emotional connection. SKUs also determine how the consumer will exhibit loyalty, smaller SKUs encourage trial and experience with the product, and it also tends to generate lower long-term brand loyalty. If a consumer had to buy a whole jar of Tang instead of a sachet, then they would develop a taste for it; whereas, SKUs ensure more choice at the time of consumption; single brand loyalty would fall to multiple brand loyalty. In such a case being global and local does not matter, what matters is the availability and the size of the SKU. (Qahar, 2007)

7. Findings and Conclusions: Although the people that have been contacted to explicitly state that brand loyalty does not differ between local and global brands, through cross questions and explorations of various aspects, we conclude that brand loyalty does differ between local and global brands. Refer to Table 1. As evident from the arguments presented, it is believed that brand loyalty differs on a product wise basis as well as on an individual brand basis, how local and global brands build loyalty also differs among various factors. Even within the food and beverage category it may be a different set of principles and measures of this variation for confectionaries and another set of rules for beverages. Among organizations, some may resort to build brand loyalty by providing an exceptional product which is continuously improved on to provide customer satisfaction

and create trust, as in the case of Shan, while others build brand loyalty by working on the brand itself, as in the case of Nestle and Knorr. However, what can be concluded is that brand loyalty in the food and beverage industry of Pakistan is not declining, but is actually just taking-off. The consumer market has just begun to mature, increase in awareness, purchasing power, and demand choices. Brands in Pakistan still have a long way to go before the market can reach a mature stage of brand loyalty.

1 Tables and Figures:

Factors in Brand Loyalty	Tang	Lipton	Knorr	Energile	Shan	Nestle Kitkat	Overall
Brand Loyalty exists in food and Beverages	Neutral	Yes	Yes	Yes	Yes	Neutral	Yes
Being Global or Local effects brand loyalty	Yes	No	No	No	No	Yes	No
Brand loyalty differs across Income Groups	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Brand loyalty is higher among high income groups for global brands	Yes	Yes	Yes	Yes	No	Yes	Yes
Brand loyalty varies across relevant category	Yes	Yes	Yes	Yes	Yes	Yes	Yes
In built component of consumer trust with global brands	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local brands face problems due to international learning behind global brands	No	Yes	Yes	Neutral	Neutral	Neutral	Neutral
Mass vs Interactive media manifesting loyalty	Interactive	Interactive	Interactive	Interactive	Both	Interactive	Interactive Media

Table 1: Summary of Responses from Industry Professionals in Pakistan

	Repeat Patronage	
	High	Low
Relative Attitude High	Loyalty	Latent Loyalty
Relative Attitude Low	Spurious Loyalty	No Loyalty

Figure 1: Brand Loyalty as a Function of Relative Attitude and Patronage Behavior

Source: Schiffman, L. G., & Kanuk, L. L. (2004). *Consumer Behavior*. Prentice Hall.



Figure 2 (a) : Limited Effects Model

Adapted from: Moschis, G. P., Moore, R. L., & Stanley, T. J. (1984). An exploratory study of Brand Loyalty Development. *Advances in Consumer Research*



Figure 2 (b): Mere Exposure Model

Adapted from: Moschis, G. P., Moore, R. L., & Stanley, T. J. (1984). An exploratory study of Brand Loyalty Development. *Advances in Consumer Research*

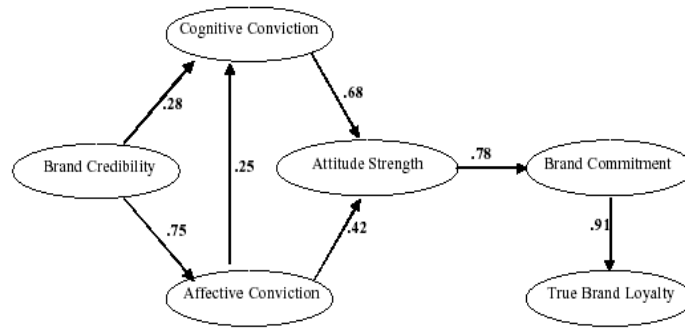


Figure 3: Six Construct Model of Brand Loyalty

Source: Kim, J., Jon D., M., & Swait, J. (2008). Antecedents of True Brand Loyalty. *Journal of Advertising*

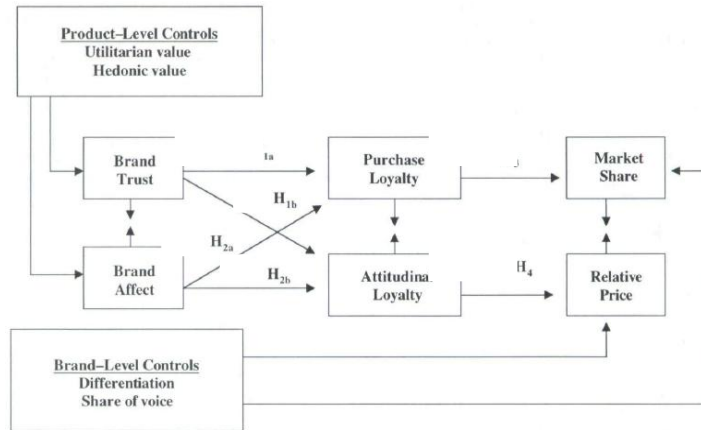


Figure 4: Chain of Effects Model

Source: Chaudhuri, A., & Holbrook, M. B. (2001). The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *Journal of Marketing*.



Figure 5: Brand Loyalty Eras in USA

Source: Bennett, R., & Rundle-Thiele, S. (2005). The brand loyalty life cycle: Implications for marketers. *Journal of Brand Management*

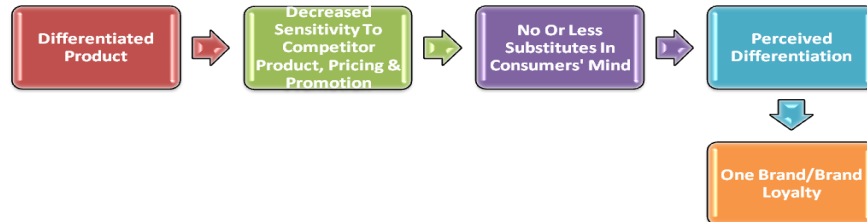


Figure 6: Brand Loyalty through Differentiation

Adapted from Bennett, R., & Rundle-Thiele, S. (2005). The brand loyalty life cycle: Implications for marketers. *Journal of Brand Management*

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