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**ADVERTISING STRATEGIES AFFECTING CONSUMER
BEHAVIOR**

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ABSTRACT

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Name of thesis ADVERTISING STRATEGIES EFFECTING CONSUMER BEHAVIOUR		
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<p>The aim of this Master’s thesis was to address the effectiveness of marketing strategies as part of a successful business plan. The business world is expanding every day. For businesses, specially SME’ it is becoming more and more difficult to have their visibility in the competitive market. The big giants either capturing the market share or giving a tough competition to their small competitors.</p> <p>The first case study based on a marketing plan, for a medium sized below-the-line marketing company, prepared by Ad Professional, a professional marketing company based in Lahore-Pakistan. The second case study is about the marketing strategies of Haier, a Chinese company deals in household appliances (white goods) in Pakistan. In this research, focus is on different elements effecting the consumer decision, cultural norms and purchasing power.</p> <p>In order to ensure the consistent growth of the company, the suggested marketing strategies, in both cases, should be implemented in due time course. But at the same time, only implementing the polices alone might not work, but a follow up and reading the marketing situation early enough, also the key factor of successful marketing plan. All these researches and plan are made, based on the current situation of the companies and existing mark environment.</p>		

<p>Key words Advertising, Brands, Business, Consumer, Culture, Marketing, Planning. Strategies</p>

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1 INTRODUCTION

In this competitive corporate world, many businesses find it difficult to introduce their similar or close the similar product in the market. Sometimes it becomes more difficult when target customers are difficult to convince that why they should start using the new product. Regional, cultural and social aspects play a key role when it comes to the question how to start a business in a specific environment. It is more challenging when we think about how to attract a brand conscious audience.

The purpose of this research was to determine how an attractive and compose advertising strategy can influence the buying behaviour of people. The research is more focused on advertising strategies of Home Appliances and Printing corporations. The research can also be used to create a correlation between adverting strategies, marketing campaign as well as regional and social portfolio of the end users. Moreover, the study can be used to determine the parameters for specific advertising strategies based on the regional factors. This research will assist the home appliances manufacturer and the marketing agencies to draw their advertising plan once they get in to the market or at early stages of their business plan.

Consumer behavior is not a new topic for marketers or researchers, and several research articles have been devoted to this topic. Consequently, there is no common definition of consumer behaviour instead there are unaccountable. In fact, with the passage of time and with the development of marketing aspects including other similar factors, new consumer behavioral concepts have been created by adapting and completing earlier ones. Some can define as Consumer behavior is a process. In the first case of consumer behavior research, many researchers have suggested that consumer behavior reflects the exchange between buyers and sellers at the time of purchase. After a long research phase, the researchers understand that consumer behavior also includes pre and post buying elements. In other words, the consumer behavior process goes through three phases: pre-purchase, purchase and post purchase. At each stage, there are different questions from the consumer's point of view as well as from the point of view of marketing.

Most consumers do not bother to find advertisements (if they are not attractive and do not deserve to be discussed). The marketing and professional works together to create advertising that arouses the curiosity of the audience. A good ad always results in better financial results and at the same time create or increase the brand loyalty. Consumers do not need consumer advertising; however, advertising is a great

way for consumers to find out about the products or services they need. Understanding how advertising impacts consumer behavior helps you create stronger and more engaging ads.

Brand awareness has a neutral impact on consumers. The first task of advertising is to tell people that your product or service is available to them. People who see ads open their products the same way they hear news in the news. At this stage, consumers will not know that your business exists to learn about your brand in the event of a future purchase.

Most advertisements give consumers an overview of the features of the product. Get a Free Pre-Audit SEO to be effective on your website giforder ad, it must be enough to show curiosity. Simple phone number will contact you with the means available to contact if you have any questions or more information about the product, but advertising should at least give users a good idea of what your product, service or company.

Most industries compete. What sets you apart from your competitors is how you do the same in other ways, and how you advertise that difference. The benefit assessment is an emotional reaction. Consumers see your ad and determine how your product can make them happier or improve their lives. This is an irrational consumer reaction, and this is part of advertising that can encourage consumers to make impulsive purchases. if you promote a vacuum cleaner again, but this time your vacuum will not only do what they all vacuum cleaners, but also the advantage of steam cleaning.

2 BACKGROUND

The post-world war II era was required by the enterprises to take the drastic action to put the economies in the right path. The tactics, tools and management approach were different in 1960-70 than 80's. The ruthless measures were needed to come out from the economic crunch. But at the same time, it was not only the management but a fundamental set of values. The focus was more to take the right decision instead of taking the decision and make it right.

For a successful marketing strategy, the most important issue to identify the growth opportunities and then it comes to the path to the opportunities. Finding the opportunities in slow growth in is not an easy step especially in the tough and competitive market environment. This can be achieved e.g. by,

- Identifying the potential markets.
- Strategic planning
- Well defined Correlation between corporate, compliance and marketing strategies
- identifying the key areas at early stages, which could affect the strategies and planning

and then it comes to the find the path, to achieve the goals by using the growth opportunities. But here, only limited options are available e.g.,

- Developing new product in the existing market
- Finding the new marketing for the existing product
- Increasing the share in the existing marketing
- Specific products for new market
- Limiting the range of products

80's era was different in term of sustainability. Growth was slow, and markets had been mature and new approaches were than needed to attract the customers. The business environment became competitive and marketing strategies for the product were now needed for the future growth.

In the 90's, the tools for strategic marketing and advertising changed completely. It was the beginning of digitalization. Companies were started to use both bespoke and off the shelf tools to read the market

situation well before to enter in. Market potential studies, branding, study of customer loyalty and their buying behavior are top on the list since then.

2.1 Market Potential Analysis

Market situation plays an important role when it comes to question of advertising strategy. The success of the company depends on the volatility of the market. A potential analysis of the market situation helps the company to mold its strategy as per the market conditions. Whenever there is a new product, the company always have concerns if the product if it is going to be successful or will have a hard time. This leads to the question to think about the issue if the market has a potential. Thus, it is core of the business process to think about the market potential before to launch a product or service.

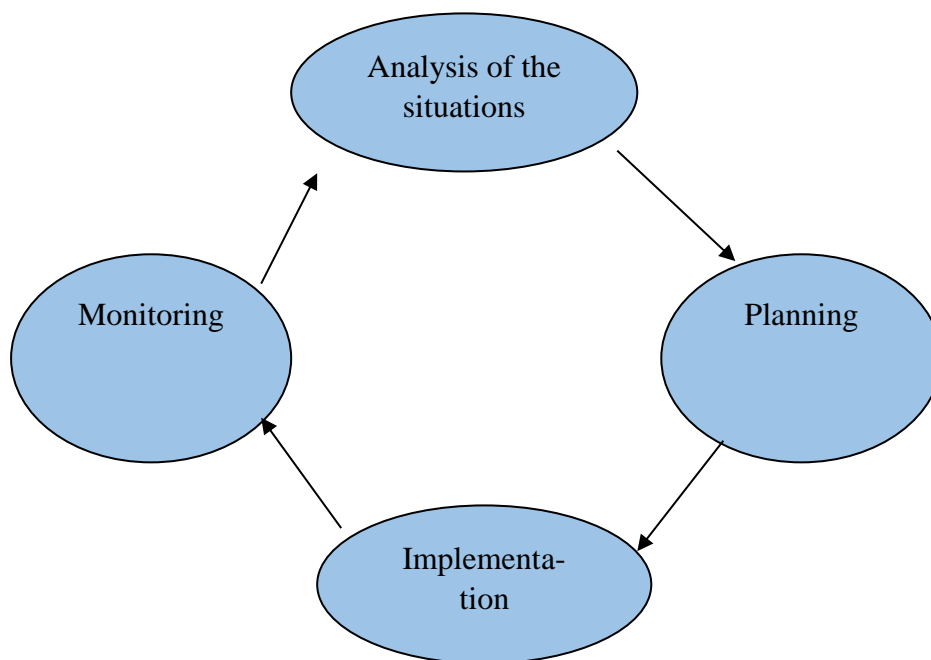


FIGURE 1. The Process of marketing communications planning (adapted from Isohookana 2007, 94)

The above figure describes the four steps of marketing process. Market potential in simple words can be explained as the total demand of a particular item or product or services in a specific given market. In simple words, if you are going to launch a soft drink, you need to check first how many competitors are in the market already, how many different products they are selling and how bis is the target market. A part of the market potential analysis also deals with the capital input versus profit margin. In nutshell, market potential analysis can be divided into following segments.

The first parameters when performing the market potential analysis, its Market Size. Market size refers to the term, total market sales potential of all the competitors all together. So, if you are going to launch a Hair Lotion e.g. you will take all the existed competitors in the market with all their product. Market size seems to be a billion or million when we look at the end user level but when we think about the industrial structure, you might get a different figure, probably the lower.

Market growth more refers to the future growth of the existing product or introduction of the new product. When it comes to market growth, you must think about the change factors in the long run of market forecast. Increase or decrease in the number of end user of your product in your target market? How much percentage or how many numbers per year? How many competitors will be out of the market and how much it will impact the market? Market forecasts begin with the total number of potential buyers in each market segment and then the percentage change in the project over the next three to five years. Ansoff Matrix provide the framework for the for future growth potential of a market.

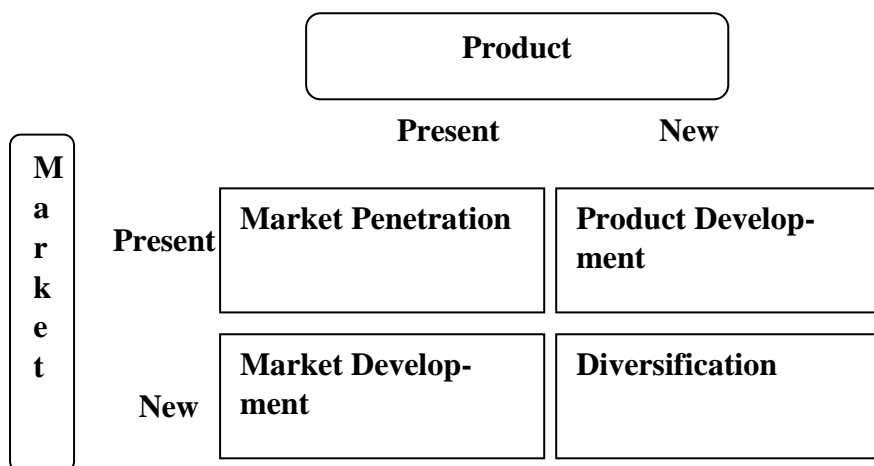


FIGURE 2. Ansoff market/product growth matrix (Ansoff, 1957)

The matrix allows marketers to consider ways to grow the business via existing and/or new products, in existing and/or new markets, there are four possible product/market combinations. This matrix helps companies decide what course of action should be taken given current performance. Strategies for Diversification, (Igor Ansoff 1957, 113–124 [Harvard Business Review 35,5])

Market penetration is a process where organization tries to increase its market share by modifying, the existing product in the market. The strategy for penetration varies from company to company. Some companies increase the selling quantum of the product and some try to attract the new customer within the same existing market. Market development is a strategy to enter entirely in a new market, e.g. geographically, with its existing product. The strategy success factor depends on several situations e.g. the company has a unique product and have a potential in the new market or the market is totally different than the firm used to have earlier. The profitability and customer purchasing power also play a key role in this strategy. In the product development strategy, company introduce an entirely new product in the market, by targeting its existing customer. Product development include several steps e.g. it can be done by creating a new and different product, the company already have, or by modifying the existing product. In the modified product one would change its specification and outlook, so the customer could attract towards the product more quickly. Having all the great products, selling systems and passion doesn't guarantee success in your business. Even though you strive for great products, systems and passion, these alone do not consistently introduce you to new people. (Renier L. 2015)

Diversification is the most vulnerable and risky strategy. This strategy required the both, new product as well as market development. There are two types of diversification, related diversification and unrelated diversification. In the related diversification, the company remain the same business in which it used to be or familiar with. On the other hand, in unrelated diversification, the company enter into a totally new environment or industry. For a successful business plan, it's more important to think about the return on investment. A heavily financed advertising campaign in a low return market could lead to a total failure of a business activity. From profit margin point of view, market potential is analyzed based on 2 different elements, either higher prices with higher margin in monopolistic market or lower price with bulk of quantity. Does your product have a unique feature? Does it have different features than other product of same kind in the market? Are consumers brand conscious? What other factors can play a role in my advertising campaign in a specific consumer market? For almost all products there is a very important stage after the design, manufacture and control process: industrial marketing activity. This is the basis for promoting and assessing the requirements of beneficiaries and consumers so that they are satisfied. (Dimitrescu A. 2018)

2.2 Consumer Behavior

Consumer behavior refers to a term that how people make their decision about that they buy or act in their buying habits. It is critical to study the consumer behavior before launch a product in a market. It not just only helps the companies to calculate the market potential for their new product but at the same it also provides the outlook of future growth. There are several issues to address when conducting the consumer behavior study, but out of all aspects, there are three main factors to be considered. Consumer psychology is about understanding why and how individual and groups engage in consumer activities as well as how they are affected by them. (Cathrine Jansson-Boyd 2010, 1).

Psychological factor deals more with perception or need of the moment. It is more to study the current demand in the market which the end user is looking for but unable to find in available product. There are several ways to measure the psychological response of the end user e.g. a short questionnaire through social media, question through messages etc.

Personal factors are referred more to person specific and usually do not address a large audience with in a same group. Their characteristics vary from person to person and may include the decision power, liking and disliking and personal opinion about a specific product in a specific situation. Different elements also influence the personal factor such as the cultural background, age etc.

Social factor in marketing is defined as elements around the consumer he cares a lot. Social factors can include a person family, social activities and interaction in the society or affiliation with the one individual of group of people. Like psychological and person factors, social factors are much difficult to analyze when creating marketing strategies and planning.

2.3 Brand Loyalty and Consumer Expression

A brand is a slogan, term, design, symbol, a simple name or any other feature that differentiate or identifies one seller's good or service as distinct from other sellers of same kind of product. Well-known brands with appealing personalities, such as Cartier (sophisticated) and Rolex (successful), provide an opportunity for consumers to appropriate the brand's personality and connect it with their self-image. Self-Concept, Reference Groups, and Brand Meaning (Escalas & Bettman, 2003 [Fournier 1998; Sirgy 1982]).

For better understanding it is more important to build a relationship between self-selection and brand loyalty. It shows that how much a brand can influence the consumer expression. There are different aspects to consider when doing the analysis (e.g. social, religious or cultural behavior etc.). Self-relevance is becoming more and more important, so the companies are more focusing more on brand communication strategies. An attract brand communication strategies attributes distinguish one brand from other, results in more brand acceptability and garners purchasing power. A name, symbol, design, or some combination which identifies the product of a particular organization as having a substantial, differentiated advantage" (O'Malley 1991, 107)

Brand loyalty refers to the term when end users stick with a specific model of a product about which they feel confident of product durability. A deeply held commitment to rebuy or reprioritizes a preferred product or services consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing, despite situational influence and marketing efforts having the potential to cause situation behavior. (Oliver 1999, 34)

3 CASE STUDIES

The first case study is based on a marketing plan, for a medium sized below-the-line marketing company, prepared by Ad Professional, a professional marketing company based in Lahore-Pakistan. The second case study is about the marketing strategies of Haier, a Chinese company deals in household appliances (white goods) in Pakistan. In this research, focus is on different elements effecting the consumer decision, cultural norms and purchasing power.

3.1 Add Professional

Add Professional is a marketing company based in Lahore-Pakistan. Started in 2007, Add Professional has developed itself as one of the most professional and modernized marketing company which use the latest technique for product marketing and branding. Company started with a sole marketing business, has now two sister concerns Export Professional and Professional Logistics.

Add Professional is a different kind of company, which led to inimitable success in the field of advertising. Add Professional is a team of enthusiastic and motivational people, who came together to build a unique platform. They all have enjoyed successful careers in different Medias & Advertising Agencies and have now established a progressive organization with a motto of:

“Our goal is to facilitate our clientele for generating enhanced returns and profits.”

There are people who believe in making high visibility campaigns, spending unlimited amount of money in all mediums of advertising, which seems primarily an exercise in creativity "not selling".

We at Ad Professional believe that only that work can be called creative, "That sells" (Add Professional 2010)

The case study here is based on a business plan to provide the investor with potential investment opportunity in setting up and operating a medium sized below-the-line (BTL) marketing company to cater the emerging need of the brand communication towards the target audiences. This business plan, focusing mainly on the marketing strategy, gives insights into also various other aspects of planning, setting up and operating a company having a range of BTL (mode of) marketing activities in Asia and Europe. The document is designed to provide relevant details including proposed departmental structure and

hierarchy to facilitate the investor in making the decision by providing 360-degree view of existing market and players to deal with as well as business alternatives. The document also allows flexibility to change various project parameters to suit the needs of the entrepreneur. (Smeda 2016)

3.1.1 Project Brief

Marketing tools, commonly known as product, price, place and promotion, are different from marketing in ATL (above the line) and BTL (below the line). ATL includes communication platforms such as electronic media, print media, radio, and foreign media, where the results are not quantifiable, and the coverage of each section is relatively greater. BTL, on the other hand, is a combination of direct, measurable, and result-oriented customer connectivity. This is a billion-dollar industry that is growing rapidly in Europe and Asia. The total sales of advertising are estimated at about \$ 1 trillion and in recent years growth rate has been detected at 25%/ year. The model for Brand activation costs / BTL are about \$ 200 billion and grow faster than the entire advertising industry.

The segmentation of market is based on the idea that it is not worth to handle the heterogenic total market but rather to try to find smaller, internally homogenous group which are more profitable than other potential customer group (Rope 2005, 153-154)

A BTL company services is characterized by creative strategies and ideas with an efficient execution in each period of time. The services offer from the domain of BTL company would be:

- Brand Activation
- Event Management
- Direct Marketing

Several elements of these services can be used to achieve the desired results in accordance with your own goals. Nowadays, advertising of goods and services is mandatory for entering the market and attracting customers. (Smeda 2016)

BTL Agency may start to provide a service or offer a full range of BTL services, in like manner many

companies in the region act exclusively as event management companies that organize exhibitions, conferences, seminars and other events. Some companies act as direct marketing companies and work with services such as direct mail and rewards and require less investment at the initial stage. Some companies are in the business as a brand activation company, a redefined term that offers creative branding solutions and turns hurdles and barriers into startup point. A fully functioning BTL marketing company works with the Brand Activation, Event Management and Direct Marketing portfolio. (Smeda 2016)

3.1.2 The Industry Preview in Pakistan

Below-the-line marketing efforts started in Pakistan from the activity of laundry and detergent category brand 'ARIAL' by Procter & Gamble in 1962. The industry came across a mix of events carried out on various brands in more than a decade. The result was a well-growing industry with increasing market size and potential. The first direct marketing agency was Ad-Mark, the subsidiary of Aftab Associates, ran a successful project of door-to-door (DDS) selling of Aerial. Since then, BTL activities start emerging rapidly in Pakistan and received an overwhelming response from all stakeholders. This boom opened up many opportunities and the market observed many companies trying to provide innovative and creative brand solutions by using and modifying the available BTL tools. (Smeda 2008)

Some advantages that proved BTL as one of the more effective communication marketing techniques were:

- a. Easily measured response
- b. Quick achievement of objectives
- c. Flexible application
- d. Direct support of Sales Force

There are also some limitations of BTL activities which may curtail the importance of BTL as part of the marketing mix while undertaking brand strategic plan which are presented as under:

- Price discounting and schemes like BOGO (buy one get one free) and bundle offer (offer a complimentary product to supplement core product) can cheapen brand image
- Observed short-term advantages
- Difficulty in communicating brand message and the unique selling proposition in its completeness.

Currently, there are many companies like Contact-Plus, Bulls Eye, and Macro Management Systems dealing in the business of brand activation solutions, while E-Commerce Gateway etc. are working with the customer approach with the product profile which includes arranging conference, seminars and exhibition. Some companies, such as, Hayworth Marketing, National Marketing Services, Marketing Jobs, Federal Marketing and Helium, are working as marketing efficiency companies which rely more on direct marketing of the product. Other companies, such as the and Studio Gultz etc. support the production of floats, stands, kiosks and other promotional materials. Most of them are large companies regarded as high-class companies that work with transnational corporations or large, well-established local groups with very high budgets / margins, which makes it very difficult for the small and medium enterprises.

Additionally, advertising companies Ogilvy & Mathur and JWT have opened-up their brand activation set-ups, while some other advertising companies like Ever-new also reportedly intend to start a BTL marketing company. Ad-Professional although a new firm, is doing very well in the market. (Ad Professional 2010)

3.1.3 Attraction for Companies & Consumers

BTL marketing model has become popular in the market for a number of reasons. One of these is that, because of the working capital, these companies can provide branded products to companies by offering comparatively cheaper marketing and advertising tools. Although some marketers may not.

Because they are satisfied with their dimension, they can be encouraging for a small budget company or need immediate results. (Ad Professional 2010)

Direct contact with consumers quickly gained consumer / consumer confidence by testing and providing companies with a platform for finding new ways to interact with their target audience. Prior to the growth of BTL's activities, the brands generally set ATL tools, such as electronic media, print media and open media, to increase sales and transfer product benefits to consumers / consumers. This may increase coverage, but questions such as results, and cost ambiguity ask about the effectiveness / profitability of such activity, and sometimes small companies are not able to fully advertise their product.

Modern BTL ideas of the activities are to involve customers and create interplay between functional and emotional benefits of a brand to provide a new alternative and appeal to companies' instinct for ideas and brand building. BTL marketing companies have rapidly become the talk-of-the-town that every brand can capitalize on, with many featuring branded musical events, road shows and whimsical branding campaigns which are designed to give value added services and cater to the need of today's market.

Many companies would consider BTL activities as the means to meet brand marketing communication objectives and hence, spend fairly good amount of marketing budgets in many cities across Pakistan. But activities alone would not attract the target market unless the message of the over strategy plan is clear and has been communicated through proper channel

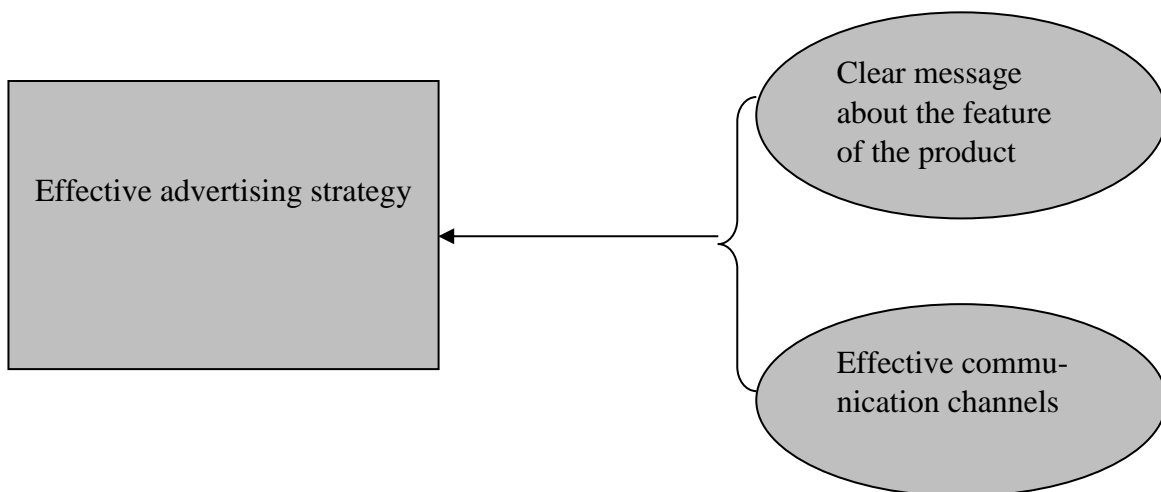


FIGURE 3. Effective advertising strategy Planning (Aslam)

3.1.4 One-on-One Customer Interaction

BTL marketing companies tend to focus on “providing experience through on-ground activities” which ensures that message is likely to be delivered to the right person and at the right time. It can possibly mitigate the factors faced in ATL mediums and deliverables are at par while incurring a lower or reasonable amount of financial impact on the marketing budgets.

In increasingly competitive markets, differentiation is an important part of any business in the market. It not only helps firms differentiate themselves from other competitors, but also improve their products or services. Being in a market, where considerable differentiation exists, is much better than being in a commodity market where differentiation between products is impossible (Sharp and Dawes 2001)

Advertising has always been regarded as an effective factor to influence the change in customer attitude. Many companies, in order to keep their loyal customers and to improve their communications with them and reducing the number of lost customers, have boosted their marketing communications and use advertising as a defense shield. (Gashti, & Chirani, I 2017)

3.1.5 Market & Communication Impact

As the customer is differently affected by diverse kind of stimuli, the marketing needs to develop programmed that involve and adapt these stimuli (Kotler 2008). At this stage the marketing should understand what lead a customer to buy a specific product, by finding out what kinds of needs or problems arise (Armstrong 2009).

The use of technology is increasing in today's society, through technology the business world has developed, in terms of networking (Turban, Bolloju & Liang 2011). In today's market there are many different ways in which product or services and their related marketing activities can build brand equity. Channel strategies, communication strategies, pricing strategies and many other marketing activities are some of the activities that firms can use to enhance their brand equity (Keller 2008)

The race to lead the market with own Brand increase the competition between competitors, which translates into the effectiveness of marketing communication with a view to meet the tangible and intangible objectives of brands. The importance of communication in this competitive and cluttered market has been increased over the past years.

3.2 Haier International

The research is based on the marketing strategy of Haier, for Pakistani market. The existing market competition was tough and local manufacturers were having the major market share. Simply by investing in the market and using the local nodes, was not the option. A dynamic marketing and business plan were needed to enter in the market.

Haier is a leading producer of household appliances (white goods), including air conditioners, washing machines and refrigerators. The headquarter is in Qingdao, Shandong, People's Republic of China. From last years, Haier is one of the key players and one of largest manufacturer of white goods manufacturer in the world. Haier Group reported a turnover of over \$ 37.2 billion in all divisions in 2017. Haier story begins well before the actual foundation of the company. In the 1920s, a refrigerator plant was built in Qingdao to supply the Chinese market. Since its inception in 1949, the People's Republic of China, Haier was then taken up and transformed into a state enterprise.

Haier was founded as Qingdao Refrigerator ° in 1984. With the opening of China to global markets, foreign companies have begun to seek partnerships in China. One of them, in Germany, a group of companies Liebherr (Liebherr is the worldwide leader in premium refrigeration), entered into a joint venture agreement with Qingdao Refrigerator Co., technologies and equipment to provide its counterpart Chinese. The refrigerators were manufactured under the name of Qingdao Liebherr. Haier moved to the international arena to create a global brand. The company opened a production in Indonesia in 1996 and in the Philippines and Malaysia in 1997.

3.2.1 Cultural Challenges

At Haier there is opinion about cultural diversity that cultures are having their own sides. This is more for people who work in the Haier to use their common sense and be more patient when working abroad. Managers must assume the difference when you work abroad, and therefore was not surprised when differences occur. Haier had no problem with diversity in their workplaces. Marketing of product mainly based on the motivational factor of the marketing employees. ‘Marketing should not only meet the needs of customers, but also employees, because their interest depends on the quality of the entire unit, and as

a result – all marketing activities’. (Olexandrivna 2015). In the case of Haier, the motivation is another case of staff of China and Pakistan. Pakistani workers are motivated by more money and good titles than Chinese employees. The Chinese are more motivated by a task itself. Pakistan worker would like to save good money for his family, and then the family will take care of him when he grows old. Grades and money are a means to achieve social status in Pakistan. Haier has noticed that there is a wage spiral developing in Pakistan today as part of the attractiveness of Pakistan as a market. New Multinational enterprises enter Pakistan, and they want the Pakistani officers who have experience working with multinationals and the Pakistanis are beginning to understand that they can obtain higher wages in New Multinational Enterprises from their experiences. Haier has currently a problem with a high turnover rate in Pakistan, mainly due to the spiral of wages. Pakistani workers are not as loyal to the company, or they work as like a Chinese. Pakistani worker is willing to change company if he makes more money in some other company, and Haier-Pakistan is facing this problem.

Another challenge was the general perception of the Chinese product in Pakistani community. Chinese products are not rewarded as durable and long lasting. Management at Haier was more concerned about to give a good impression of their products.

Target market is a focus area of a company, where the end users have common needs, that company is offering. One market can have more than one market segments e.g. micro marketing, differential and undifferentiated marketing. The target marketing for the white goods is differentiated marketing. Because the segmented marketing is a market-coverage strategy in which a firm decides to target several market segments and designs separate offers for each. This is also the case in white goods target marketing. This target marketing is very apt for the house hold items because the product is one and dealing with several segments existed in the market.

3.2.2 Market Positioning

Over the course of the years Haier has developed a very sound positioning of their products and after sale services and have been successful to win the hearts and minds of the consumers. The management decided to position their product with quality and class. The came out with the spirit that Haier is a premium product and that’s why is charged a premium price. On the other hand, the split AC and other luxury product has been positioned with economy and hygiene.

Haier followed the marketing mix strategy, created by Neil Borden in 1953 which is still important in marketing decision making process. Haier implemented the 4Ps, product, price, promotion and place strategy carefully.

Product: Before to enter in the business, the company had decided that they will be producing its products on a large and enough scale. At the same time, the production in different sizes will differentiate the produced bread from other breads. Haier started with the business model by producing the different bread of the same product. The range was from small to large.

Price: 'Price is usually a focal point in consumer thinking and deciding on transactions. Hence, obfuscating prices can be detrimental to consumers' (Boom 2011). Haier adopted the pricing policy that company would charge the products according to their bread and category. Price of a product would be given according to the quality and features. The profit margin was forecasted low to increase the sale and to introduce the new product.

Place: The company decided that at initial stage they will be focusing on establishing the production units only in the major cities. The next step would be to expand the production capacity also in other cities but only once the Brand gets its name and place in the market and with the passage of time business will start focusing to place the product in all the cities. The distribution network flows as follows: Producer, Distributor, Whole Seller Retailer

Promotion: Haier set aside the promotion budget of 1.75% of their annual turnover. the split of the allocated budget was decided as 40% for Print Media, 20% goes for Electronic Media, 20% on door to door campaign and balance 20% on Promotion activities. Company have a firm believe that print and electronic media and outdoor activity help play a role to reach and address their target customer demands. The advertising strategy of Haier thoroughly reviewed the market situation and reached to a conclusion that digitalization marketing tools would be vital in capturing the share. They have realized that business model might not be successful unless a huge spending on the marketing and advertising campaign. Another promotion campaign was also decided to launch at the same time, it gives customer a direct benefit in shape of price reduction. Company can use these tools for promotion purpose. (Haier 2016)

In product advertising, advertisers are informed or stimulating the market about their products and services. This type of advertising is often adopted by Haier Sale Corporation on various occasions. For instance, when Haier introduces a new article in the market, information is given to customers and through magazines and newspapers. (Du Y P 2003, 259-266)

3.2.3 Haier's International Business Strategy

Haier developed their strategy through their uniquely customized approach when entering each specific market at a specific time. Demand and supply situation in developing countries are different than the developed and advance countries. White goods success is based on the combination of characteristics of the product as well as the satisfaction of the customer. "Only by actively taking part in global competition can we seize a chance to survive," said Zhang Ruimin (People's Daily 2000).

3.2.4 Long Term Market Position

Positioning is as process which has certain characteristics such as proactive, deliberate and repetitive. This process defines, evaluates, modifies and monitors the consumer perceptions. (Arnott 1993, 1-3)

Haier built the long-term market position through increase its share in the existing market. Focusing on the brands and products is also another factor. Haier's is focusing in its international strategy. They clearly declared that: "exporting to build a brand, not to earn foreign currency", "We are not selling goods, but goodwill", and "Whenever Haier is mentioned, the entire world will know about it".

3.2.5 Addressing the Market Competition

In response to competitors' actions, Zhang Ruimin (chairman and CEO Haier Group) said on the Entrepreneurs Day that, "When foreign companies come to China, they do not come for a benevolent purpose. They follow a very simple principle: the law of the jungle. Chinese enterprises must not fail to be fully aware of this fact. If you treat yourself as a sheep rather than a wolf, you will be a prey of a wolf; if you act as a wolf, you can compete for sheep with others. (Zhang 2001)

3.2.6 Exchanging of Threat

Expanding abroad is a response to competition within the domestic market both from imports and local products. Haier started 'taking the fight to the enemy' by breaking into the U.S. market using a combination of quality, price and local manufacturing (Bier 2001). When a fierce price war heated up in China among domestic manufacturers, it avoided this by shifting domestic competition overseas through implementing a strategy of "first go out to 'West Oceans' (i.e. developed countries overseas), then to the 'West Region' (i.e. China)". Haier has been and keep transforming itself towards the advance technologies. This has made possible for the company to address the rapidly changing business environment threat.

3.2.7 Customer Comes First

Haier market entry decision purely based on the customer response towards the product, product acceptability and the internationalization of the end users. Their strategy of overseas expansion was that "Where there is a market, there must be a factory". The strategy works in a sequence, where first step is to import the product from abroad, on second stage, focus is more on giving franchises, and at the last stage, building the own factory.

3.2.8 Haier A Competitor – Market Recognition

Haier's acquisition of an Italian factory in 2001 was a milestone in Haier's course towards internationalization. It not only acquired a white home appliance base in Europe, but also possesses the conditions for participating in local manufacturers' organizations and for acquiring information. "Since late last year, refrigerators rolled out of the spanking New South Carolina factory sporting the Chinese brand name Haier as well as 'Made in the U.S.A.' tag" (Biers 2001).

These achievements demonstrate that Haier has the technology and manufacturing capabilities to make quality products and thereby compete with world consumer appliance giants, such as GE, or Whirlpool even in the hyper-tough developed markets. Its outstanding achievements have established it as a model for other Chinese manufacturers who used to feel inferior to MNCs both in China and overseas. “In addition to a rising position and success, Haier also has an important role in that it offers insight into China’s economic changes. As one of the important household appliance manufacturers in the world, Haier has established subsidiary companies in 13 countries and exports to 160 nations – marking an end of the first stage of China’s economic reforms after the country’s isolation to the outside world” (Forbes 2001).

4 RESEARCH QUESTIONS

In this research three question area asked from the people working in sales and marketing department and deals in marketing strategies, in both organizations.

	Add Professional	HAIER
How much an advertising campaign can change a consumer behavior?	An effective advertising campaign alone cannot guarantee you for the success of your product, but it leaves some effect on the customer buying behavior	There are different aspects effecting the consumer behavior in the markets like Pakistan e.g. culture, religious elements, rituals. All in all, a campaign can be a part in consumer buying attitude but that's not the end of the story
How can an effective advertisement campaign affect the manufacturer revenue?	Pakistan is a market of 200 million people. There are different sources available of marketing and advertisement campaign. In some of the cases revenues are not directly linked to the marketing campaign but can also depend of the options available in the market, season choices etc.	For a company like Haier, the most important thing is how effectively and efficiently, company introduce new product or the new feature of and existing product in the market. Company revenue targets are linked to its product and feature. In any case company must need to convince its end user with an effective advertisement campaign about the usage of its product.
Which elements should be more focused on advertisement, price or quality and how to create a bridge between these two?	Combination of both. All the marketing and advertisement companion have some target customer. In the developing economies like Pakistan, only the quality, sometime does not matter. The substandard products, fulfilling the customer needs, with lower price could lead	Quality. Dealing in white goods, for Haier, it's more important to have the long-lasting products. We sell expensive product with high quality. There is a correlation in our business between price and quality. Haier cannot afford to sell an expensive home appliance tool

	the company revenues beyond the targets.	with poor quality. Customer might not return to the company product ever again.
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5 CONCLUSION

This master thesis includes the advertising strategies of a BTL company in a Pakistani market, prepared by Add professional. For Add Professional, the market growth rate is also augmented owing to other reasons. On one hand, companies increase their marketing budgets, while on the other companies would like to work in different sectors in order to explore the opportunities and fetch a larger pie of the market in a short span of time. These changing trends trigger the investment in order to interact directly with the end customers / consumers and pass-on the incentives to them.

For Haier International, brand loyalist play a key role in a successful advertising campaign. Dynamic campaign, culturally motivational staff, and quality of the product are the main pillars behind the success of a product. For a company dealing in retain business, keeping a balance between price and quality is most important issue.

The analysis in this research offered useful information about the threats and opportunities in Pakistani market. Additionally, demand supply analysis, target customers and market segmentation are also analyzed and proved to be a key element for the product introduction and future growth potential in Pakistani market.

In both researches, it was important to take into consideration that both researches are limited to the marketing and advertising strategies. In real life there are many other factors which can and have influence on the product success e.g. finances, compliance, local taxation, consumer rights, patents etc. Some aspects are explained in this research but only to some extent.

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