

THE APPLICATION OF MARKET SHARE OBJECTIVES  
in  
DIRECTING, PLANNING AND MONITORING MARKETING ACTIVITY  
at  
CORPORATE, DIVISIONAL AND BRAND LEVELS

Wathek Shaker Ramiz

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To my parents with great love and respect

## ABSTRACT

The main criterion of measuring the success of a marketing oriented company is the market share that it can achieve over its competitive rivals. The main objective of this study is to investigate the application of market share in the direction and control of the marketing activity for a brand or a product. To understand such applications, it is therefore necessary to consider the managerial use of this objective in the strategy formulation and control function at different managerial levels of an organisation.

The differences of objectives, responsibilities, and type of decisions undertaken by managers at various levels require different definitions of a product's market. A higher level of market aggregation can be expected to take place at the higher managerial level to match the longer time span of the decision, and a greater responsibility. At the other end, segmenting the market by different criteria implies identifying these segments employed for measuring the share level of product. In addition, the constraints of a company's ultimate long term objective (RoI) over strategy formulation may affect the level of commitment of various marketing managers towards market share objective. A larger market share may not always produce higher profitability, and the product life cycle concept is used to identify conditions under which different results may be obtained. Finally, the study investigates the effects of factors such as product characteristics and inflation rates on a manager's choice in selecting the marketing sales figure (sales value, or volume) for assessing the share level of a product.

All the above factors generate the study hypotheses that will be tested by the postal questionnaire approach. The product/brand managers of heavily advertised fast moving consumer goods or of durable consumer products marketed by British or foreign companies in the UK market, will be surveyed. Since the collected data will take a number of forms, both non-parametric statistics, such as chi-square test, and parametric statistics, such as Student's t-test, will be used for the purpose of analysis. In addition, to test the practical application and validity of the study findings, some of the senior marketing managers who responded to the questionnaire survey will be interviewed.

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## CHAPTER ONE

### INTRODUCTION

## Introduction

### 1.1 Description of the Study

The main criterion of measuring the success of a marketing oriented company is the market share that it can achieve over its competitive rivals. The main objective of this study is to investigate the application of market share in the direction and control of the marketing activity for a brand or a product. To understand such applications, it is therefore necessary to consider the managerial use of this objective in the strategy formulation and control function at different managerial levels of an organisation.

The differences of objectives, responsibilities, and type of decisions undertaken by managers at various levels require different definitions of a product's market. A higher level of market aggregation can be expected to take place at the higher managerial level to match the longer time span of the decision, and a greater responsibility. At the other end, segmenting the market by different criteria implies identifying these segments employed for measuring the share level of product. In addition, the constraints of a company's ultimate long term objective (RoI) over strategy formulation may affect the level of commitment of various marketing managers towards market share objective. A larger market share may not always produce higher profitability, and the product life cycle concept is used to identify conditions under which different results may be obtained. Finally, the study investigates the effects of factors such as product characteristics and inflation rates on a manager's choice in selecting the marketing sales figure (sales value, or volume) for assessing the share level of a product.

All the above factors generate the study hypotheses that will be tested by the postal questionnaire approach. The product/brand managers of heavily advertised fast moving consumer goods or of durable consumer products marketed by British or foreign companies in the UK market, will be surveyed. Since the collected data will take a number of forms, both non-parametric statistics, such as chi-square test, and parametric statistics, such as Student's t-test, will be used for the purpose of analysis. In addition, to test

the practical application and validity of the study findings, some of the senior marketing managers who responded to the questionnaire survey will be interviewed.

## 1.2 Organising the thesis

This thesis contains nine chapters arranged according to the following sequence:

Chapter 1 aims to illustrate the dimensions of this study, and its boundaries. More attention is given to the background of the problem, which is the application of market share objectives in directing and monitoring the firm's marketing activities. The study contribution towards such application is stated. In addition, the objectives and limitations are outlined. Finally, the previous studies in the field are viewed to put the original contribution of this project into context.

Chapter 2 reviews the literature concerned with the application of share objective in marketing strategic and tactical planning within the organisation.

The main objectives of this chapter are:

- a) To state the definition, advantages/disadvantages, and functions of share objective.
- b) To clarify the relationship between the firm's profitability and share objectives,
- c) To examine the share strategies over the product life cycle.
- d) To identify the manager's responsibility towards such strategies .

Chapter 3 states the possibility of defining the market broadly or narrowly for measuring share level of a product. The main objectives of this chapter are:

- a) defining the business in which a firm pursues its share objective,
- b) clarifying the market segmentation criterion used to describe the market,

- c) linking the market definition to the manager's position in the organisation hierarchy, and
- d) examining the market sales figures that are used to calculate the share level.

Chapter 4 describes the theoretical model that is proposed to direct the empirical study. The model includes the major variables influencing the application of share objective in managing the marketing activities. The interactions between these variables are indicated, and thus, the study hypotheses are established.

Chapter 5 explains the methodology applied to test the hypotheses. Different aspects are covered in this chapter, which are:

- a) Evaluating the alternative methods, and specifying the reasons beyond selecting the postal questionnaire survey and interviewing methods
- b) Defining the study population
- c) Justifying the validity of sampling method
- d) Describing the contents of questionnaire form
- e) Illustrating the process of collecting, editing and analysing the data
- f) Examining the methods of testing the hypotheses.

Chapter 6 aims to establish the study profiles that will be used to classify the respondents to the questionnaire survey. The response rate achieved is examined. Then, each question on the form is linked to these profiles and tested to find out the significant interaction between them.

Chapter 7 tests the study hypotheses in relation to the empirical research. The major variables are selected from the preceding chapter and the percentages of responding subgroups in each variable are calculated for the purpose of comparative analysis.

Chapter 8 explores the attitudes of some marketing managers who were interviewed about the study findings. The findings relating to each hypothesis are discussed in the light of the manager's practical experiences.

Chapter 9 summarises the main issue of this study and points out the conclusion derived in respect of the following major points:

- a) The study findings and the proposed model
- b) The application of the study findings from a managerial perspective
- c) Recommendation for further research.

### 1.3 Dimensions of the study problem

The problem of this study was originally raised by Oxenfeldt (1959; 59-68) who suggested that the usefulness of market share measurements to evaluate manager's performance, set market targets, and predict potential sales, was diminished by the existence of various definitions of the market, manager's commitments towards other objectives, and the instability of market share measurement. Majaro has renewed the concern about the doubtful use of market share measurement in this statement:

'Unfortunately it is not always easy to measure a firm's market share in relation to a given parameter. The information required to undertake such a study is either not available or is too costly to obtain' (1977; 47)

For monitoring the performance of a given manager, share measurement may yield different results, depending upon whether the market base is delineated to the total industry of a product (e.g. detergent industry), product line (e.g. liquid detergent product) or product/brand within the product line (Chevalier and Catry; 1974; 43). To solve such ambiguity, Abell (1980; 22) suggests that defining the market should be consistent with the scope of the marketing plans and responsibility of managers at various levels of an organisation. Even if delineating the boundaries of a market is agreed on, the possibility of describing a product's market by different segmentation criteria, such as sex, benefit sought from purchasing the product, and socio-economic variables,

makes the market share unreliable measure (Majaro; 1977; 44).

Chandler (1962) has suggested that there is a direct relationship between strategy and the structure of the firm. Selection of particular lines of segmentation for planning and for the organisation of the marketing division is likely to lead to similar segmentation of a market for assessment of results and the measurement of market share.

In addition, assessing the share level by different market sales figures adds another aspect of confusion to this measurement as indicated by Oxenfeldt's statement:

"Some firms in the television business have been leaders in portable sets while selling relatively few consoles. These companies would rate higher if judged by unit volume than by dollar volume" (1959: 61)

Chevalier and Catry (1974; 44) mention the differences of prices, and sizes among competitive products influencing the determination of market sales figures. The inflation rate of the economy may also lead managers to calculate the share performance by sales volume (Boyd & Headen, 1978;342) In relation to the market targets, Oxenfeldt (1959; 63-66) stated that, in most cases, top management sets multiple objectives such as profitability, percentage of net worth, financial liquidity, and market share for strategy formulation. If more weight was given to share objectives without evaluating the cost of achievement, other objectives would suffer in the future. Such situations would have a greater influence on a firm's survival if other managers downwards in the management hierarchy imitated the top management level. Chevalier and Catry (1974; 46) argue that share objectives get a wider acceptance at the lower management level. On the other hand, there has been argument about identifying the manager responsible for setting marketing plans at different levels of marketing organisation. At the corporate overall level of marketing strategy, Kotler allocates this responsibility to the senior marketing managers, represented by the Vice President of marketing division (1972; 364).

Meanwhile, Drucker referred to the managing director for setting this plan (1964; 6). At the level of the product/brand marketing plan, Luck prefers the product manager to design this plan rather than the functional manager (1972; 86).

Finally, Oxenfeldt has argued that a stable market share gives adequate estimation of the potential sales of a product, while it is not the case when share level fluctuates in a market (1959; 67). Catry and Chevalier tend to link share objectives to the profitability of a product over its life cycle. Maintaining share level at the mature stage, and changing it at the others is recommended. However, they accept the decreasing importance of share objective as a product moves through the sequence of stages of its life cycle (1974; 29-34).

The above discussion reveals the existing state of confusion about the application of market share objectives for directing and controlling the marketing activities at various levels of an organisation. By undertaking this project, it is expected that some information would be available to those academic and professional people who are interested in making market share more applicable. Therefore, a descriptive model is proposed to illustrate how the study problem will be tackled through this thesis, Figure 1.1.

#### 1.4 Objectives of the Study

The major objectives of this study can be outlined in the following points:

- a) To investigate the use of a market share objectives in directing the marketing activities of a product at various levels in an organisation.
- b) To identify the managers responsible for setting marketing strategic and tactical plans.
- c) To investigate the market base relevant to the type of planning and the level of a manager's responsibility.
- d) To identify the factors influencing the selection of particular market sales figures for measuring a product's share level.

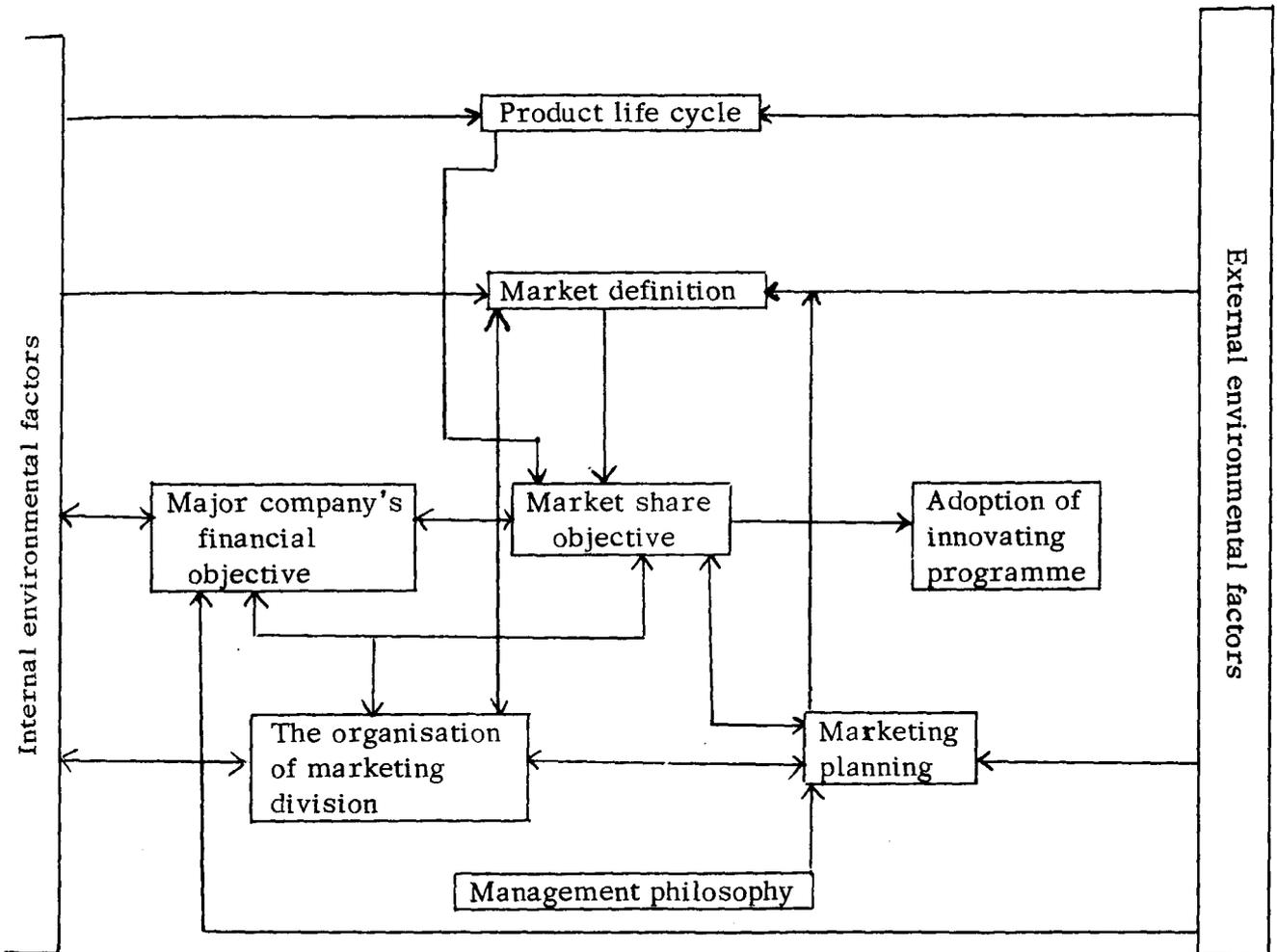


Figure 1.1 A theoretical model of the major variables affecting the application of market share objectives in managing the marketing activity at corporate, divisional and brand levels

- e) To identify the importance of share objectives at the various stages of product life cycle.
- f) To build a model for increasing the efficient use of market share objectives within the restrictions imposed by internal/external environmental factors inside and outside a firm.

### 1.5 The scope and limitations of the study

To achieve the preceding objectives efficiently, identifying the scope and limitations of this study becomes necessary as follows:

#### 1.5.1 The scope of the study

Considering the market share objective as a guide for managing the marketing activities of companies does not mean the ignoring of other objectives. However, the economic objectives presented by ROI, net profit, sales volume, and market share, are considered to have more influence on the strategy formulation than the non-economic objectives (e.g. social responsibility, consumer and worker's needs, etc) do, (Ansoff 1968; 42). Therefore, market share and other economic objectives are mainly considered in this thesis. The external and internal environmental factors outside and inside a business unit influence the achievement of share level relevant to profitability objective, but they are referred to indirectly within the product life cycle. In addition, the descriptive nature of this study precludes any attempt to find out the optimum combination of marketing mix elements that is employed to achieve the share level at different stages of product life cycle. On the other hand, identifying the top managers responsible for setting and determining the overall and divisional marketing strategies is undertaken as far as they influence the managerial decision at the product/brand planning level.

### 1.5.2 The study population

The main concern of this study is the application of market share objective in managing the marketing activities of fast moving or durable consumer products, therefore, industrial products and service sector, such as distribution, banking etc., are not included. The geographical market of these products is the United Kingdom, thus it becomes necessary to exclude any products made in this country and exported to other markets. In contrast, products made abroad and launched in the UK market are covered in this study. Consequently, the study population consists of the British and foreign producing companies that operate in the UK. Because there is a large number of fast moving and durable consumer products offered to the British people, the study is limited to those products that are produced by companies adopting marketing oriented philosophy. The amount of advertising expenditure spent on these products for the year 1978-1979 is considered as an indicator of applying this philosophy.

### 1.6 Previous research

To explore the needs for this research more clearly, it is necessary to review some of the previous works that may be related in some way to this study. However, it is important to establish that no empirical work has been undertaken with such comprehensive coverage in the area covered by this thesis. The existing works, in most cases, are merely related to one or two aspects of the present study. The following discussion, divided into two parts, will give a clear picture of the previous research.

#### 1.6.1 The academic studies

Two theses have been selected for the purpose of discussion as they seem more related to this study than others. Varadarajan (1979) models and tests the dependence of market share on a firm's competitive position along different marketing mix elements and product/market growth variables. The data of PIMS study relevant to non durable consumer products and capital goods

at the mature stage of product life cycle are used to test the two models. By examining the linkage between such work and the present study, some distinctive points between the two are generated:

- a) Varadarajan concentrates on the mature stage of the product life cycle while this study covers this stage as well as all the others.
- b) He sets out to model the effects on market share of external factors such as product-market growth and of company controlled activity in varying the marketing mix. Such econometric model building is not the concern of this thesis.
- c) Finally, the area of investigation of each study is different, the present study covers frequently purchased and durable consumer products, while the work of Varadarajan is restricted to non durable consumer products and capital goods.

In the second study, Hozier (1979) develops and validates a short-term market share theory by which a brand share over consumer repeat purchase interval is a function of management decision variables appropriate to that purchase interval. Although, the study distinguishes between the objectives, product definition and decision types of various levels of marketing managers that are the assumptions of this study, some differences between the two can be noticed:

- a) It considers the short-term brand share dynamics and market structures while the present study tackles the long-term aspect.
- b) The purpose of the above study is to find out the causal relationship between brand share and marketing decision variables which the present study does not undertake.

### 1.6.2 Studies undertaken by experts

One of the major studies related to the application of market share objectives in strategy formulation is the product portfolio concept originated by Boston Consulting Group (1970). The study tended to find out an optimum allocation of a firm's available resources over its various products according to their market growth rate and relative market share levels. This planning technique provides an overall strategy for the evaluation of investment opportunities in a multi-product, multi-market firm. (Abell, and Hammond, 1979; 173-174). Although, BCG study has provided much valuable information for the present study, some points of difference between the two are noticeable.

- a) BCG study defines a product's market share relative to the major competitors, whereas the present study does that in terms of all competitors in the defined market.
- b) As mentioned above, the purpose of the BCG study is to find a formula for the allocation of economic resources, which the present study does not perform.
- c) Market share level is considered as an independent variable in the BCG study while, in this study, it is assumed to be a dependent variable, and related to the product life cycle.
- d) BCG study is concerned with the strategy formulation at the corporate level, while this study is directed to various marketing planning levels of an organisation.

The other study concerns the linkages of strategy, structure, the environmental hostility, and financial performance of 48 large British companies operating in eighteen different industries (Grinyer, et al, 1978). This study confirms what has been proved before by different authors about the links between the strategy and the structure of a firm. The relationship between strategy and structure has a connection to one aspect of the present study, but the above study is merely concerned with the corporate level rather than with the product level.

## CHAPTER TWO

### MARKET SHARE OBJECTIVE AND MARKETING PLANNING

## 2.1 Introduction

The confusion surrounding the use of market share objectives in marketing planning requires a thorough examination of the literature in the field. The purpose of this chapter is to: 1) explore the relationship between market share objectives and company profitability over the product life cycle; 2) clarify the importance of market share objectives at different levels of marketing planning, and identify the manager's responsibility towards such planning.

## 2.2 Understanding market share within the context of general objectives

To understand the term 'market share' and determine its functions, it is necessary to examine first the definition, classification, and functions of the term 'objective' in general. Objective has been defined by many authors to reflect the desirable result emerging from manager's action. For instance, Ackoff defines it as "states or outcomes of behaviour that are desired" (1970; 23). Within the same line, Granger defined it as "an aim or end of action" (1964; 63). However, Ansoff defined objective as a control device for monitoring the performance of decision making - "A measure of efficiency of the resources conversion process" (1968; 44).

'Market share' has been viewed more within the context of control function than a guide for decision making.

"The number of units of the product type sold by that firm, compared with the number of units of the product type sold by all suppliers of that product" (Chevalier and Catry, 1974; 43)

By the same token, Kollat, et al (1972; 35) defined market share in respect of the market boundaries at the product/brand and company levels:

"a company's sales of a brand as a percentage of total \*\*\*\*\* sales, and/or a company's sales as a percentage of the total sales of all companies classified as in the same industry category"

Defining market share objective from the control oriented point of view does not mean that it is inapplicable in the planning function. Chevalier and Catry (1974; 44-45) emphasised the usefulness of share objective in both functions if marketing managers realised its advantages and disadvantages,

1. The advantages of market share objectives:
  - a) It distinguishes the changes in sales caused by a firm's action from those caused by external environmental factors (e.g. economic conditions). The same authors in other paper (Catry and Chevalier, 1974; 44) emphasise eliminating seasonal variation in product sales when calculating market share level.
  - b) Market share is a fair and reasonable measurement as it compares a firm's performance with the total industry sales rather than with the performance of the best rivals.
  - c) In comparison to sales and profit measures, market share index is more relevant in reflecting market effectiveness or a manager's performance as it eliminates the influence of extraneous factors such as change in the industry structure on which he has little or no control.
  - d) Market share goal is easier to establish and operationalise than profit/sales goals because of confidentiality and availability of data.
  - e) Under specific market conditions, market share objective has positive influences on ROI.
  - f) Market share measurement is simple and easy to perceive.

2. The disadvantages of market share objectives:
- a) Market share index does not reflect how much money has been spent for achieving it.
  - b) Market share measurement ignores a firm's idiosyncrasies as it assumes that all firms are comparable in many aspects, such as management ability and advertising effectiveness. In addition, it assumes that external environmental forces influence them in the same manner.
  - c) It gives a biased performance measure if the market and company sales are not defined in relation to a manager's responsibility.
  - d) Extra care should be exercised for setting market share objective since its feasibility is related to the product life cycle.
  - e) Managers at different levels of the hierarchy have various opinions about market share objectives.
  - f) Gaining market share objectives requires a large amount of investment that might not be paid off except in the long-run.

The advantages and disadvantages of market share are also referred to by Oxenfeldt (1959; 59-68)

Ansoff's definition of the term 'objective' reveals that an objective has three elements:

- a) particular attribute (e.g. profitability);
- b) the yardstick or scale for measuring the attribute (e.g. rate of return on investment); and
- c) the goal - "the particular value on the scale" (e.g. optimising the rate of return), (1968; 44-45)

These elements make it necessary to distinguish between the terms 'objective', and 'goal '. Ackoff was more specific at this point when he considered time as the main factor for discriminating between the two:

"Goals are objectives whose attainment is desired by a specified time within the period covered by the plan (e.g. to increase our market share by 10 percent by 1975)" (1970; 23-24)

Regarding market share, different authors, for instance, Chevalier and Catry (1974) used the terms 'objective', and 'goal' interchangeably to refer to the product share level. Since this thesis is mainly concerned with the market share measurement, both terms will be applied.

Whatever classification types of objectives have been proposed by different authors, they can be summed up in the following three groups:

- a) By the time span they relate to - e.g. 1 year, 5 years, 20 years ahead
- b) By organisational level - e.g. the corporation, the division and the department
- c) By function - e.g. finance, production, marketing

(Cantley 1972; 11-12)

According to the time span, the higher the organisation level, the longer the time horizon of planning will be. Hence, long-range objectives are usually set at the corporate level from which shorter term targets are derived for lower organisational levels (ibid; 12). Ansoff mentioned that a firm assumes the continuity of its business for infinite time in the future. However, forecasting the profitability measured by RoI\* which is the central aim of an enterprise becomes unreliable over time due to many uncertainties such as, changing technology, firm's market share,

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\* The common use of this measure by many firms, and its convenient characteristics were the main reasons for backing it by the author

management skills, and economic/political climate. Therefore, the time-span of the corporate objective is divided into two periods: a) the proximate period extends to the planning horizon (3-10 years) in which forecasting of the profitability is feasible (in fact, when planning is taken beyond five years, forecasting becomes unreliable in most cases); b) the long-term period starts from the planning horizon to the infinite time. Profitability becomes difficult to assess directly and thus either one or two conditions leading indirectly to profitability should be satisfied:

- 1) Improving external competitive position of the firm (e.g. increasing relative market share, and continuing growth of sales),
- 2) maintaining internal efficiency of utilising the firm's resources (e.g. turnover rates of its sales, management skills, and age of assets).

In addition, another type of objective 'flexibility' is added to the major company objectives, aim at avoiding or at least reducing the effects of unforeseeable situations such as catastrophes. This type of objective can be divided into two subsidiary objectives: a) external flexibility objective tends to minimise the effects of a catastrophe by directing and employing a firm's investments into different product-market postures or areas; b) internal flexibility objective provides a protection against catastrophe by mobilising a firm's resources and increasing a firm's borrowing power (Ansoff, 1968; 47-59).

With respect to the level of an organisation, Foster (1972; 67-72) identifies three types of objectives: a) corporate objective stated in terms of profit, return on assets, turnover and growth rate; b) major objectives which are distilled from the former one and represent the tactical targets for divisions and subsidiary companies (e.g. market share objectives for marketing division); c) lesser objectives include the proportional contribution of each area, salesman, customer/product groupings towards the corporate objectives.

The classical economic (micro-economic) theory emphasised maximising the profit as the sole objective at the corporate level. If any company does not adopt this objective, it will be eliminated, bankrupt or taken over by a profit-maximising rivals in the long run.

This theory has been criticised by different authors such as, Ansoff (1968; 37-39), Drucker (1958; 82) and Cantley (1972; 15) on two bases:

- a) it does not distinguish between the short and long profit objective and
- b) it ignores the uncertainty associated with achieving the maximum profit level. Hence, Drucker (1958; 81-90) proposed the five survival objectives of a firm which are:

- a) Designing and perpetuating the organisation on the basis of joint performance of human individuals for indefinite time-span.
- b) Since any organisation exists in an open system, getting the acceptance of social and economic systems or power groups is necessary for its survival.
- c) Efficient and economic supply of goods and services to the economy.
- d) Creating change for the benefit of society and economy.
- e) Making profit .

Although profit was one of these objectives, Drucker favoured the minimum profit level rather than the maximum one which is sufficient to keep an organisation operating over the time.

Argenti (1969; 24-27) listed and evaluated each form of company objectives which are:

"To achieve the profit shown in the annual budget; ensure survival; maximise profits; improve profitability; lead the industry in technology; increase share of the market; increase exports; make a satisfactory profit; improve return on capital employed; sell worthwhile, socially acceptable products"  
(ibid; 25)

He concluded that Return on Capital employed is the best representative of objective at the corporate level, but the needs of employers, suppliers and customers should be considered in deciding the level of this objective.

When Ansoff (1968; 42-43) classified the corporate objective into economic (market share is one of them) and non-economic or social objectives, optimising rather than maximising long-term profitability was referred to as a basis for allocating the firm's resources. In addition he considered the economic objective as the main factor influencing the firm's behaviour, while the non-economic one would have the secondary influence.

The above discussion shows that profitability, in particular, has been recommended to conceptualise the objectives at the corporate level. This objective is so general, it is therefore necessary to translate it into specific and operational sub objectives for all functions of the organisation. This thesis is mainly concerned with different levels of management in the marketing division whose objectives are: a maximum of value or unit sales, a maximum share of total or particular segments of markets, and a maximum profit figured as a percentage of net worth or sales (Oxenfeldt; 1973; 239-240), Kotler (1972; 368) Kollat and others (1972;35). Foster, and Argenti have emphasised the application of a market share objective at the marketing divisional rather than at the corporate level as indicated by this statement:

"There is nothing much wrong with this one except that it is not a company objective, it is a departmental one. Neither the shareholders nor the nation, nor the employees would judge that a company had failed to achieve its objectives merely because it failed to increase its share of the market...But one could say that a marketing department had failed if it failed to increase penetration having been told by the company to do so" (Argenti, 1969; 26)

In addition, the variation of market share level within different product groups is the major factor attributed for assigning this objective at the marketing division level (Foster, 1972; 71). Even within the marketing division, Chevalier and Catry (1974; 45-46) clarify the concern of senior managers with profit or parallel long-term objectives that may disappear towards the lower levels. Specifically, sales forces aim to make high sales figures regardless of costs, and thus market share index is more accepted as a long range objective than other levels.

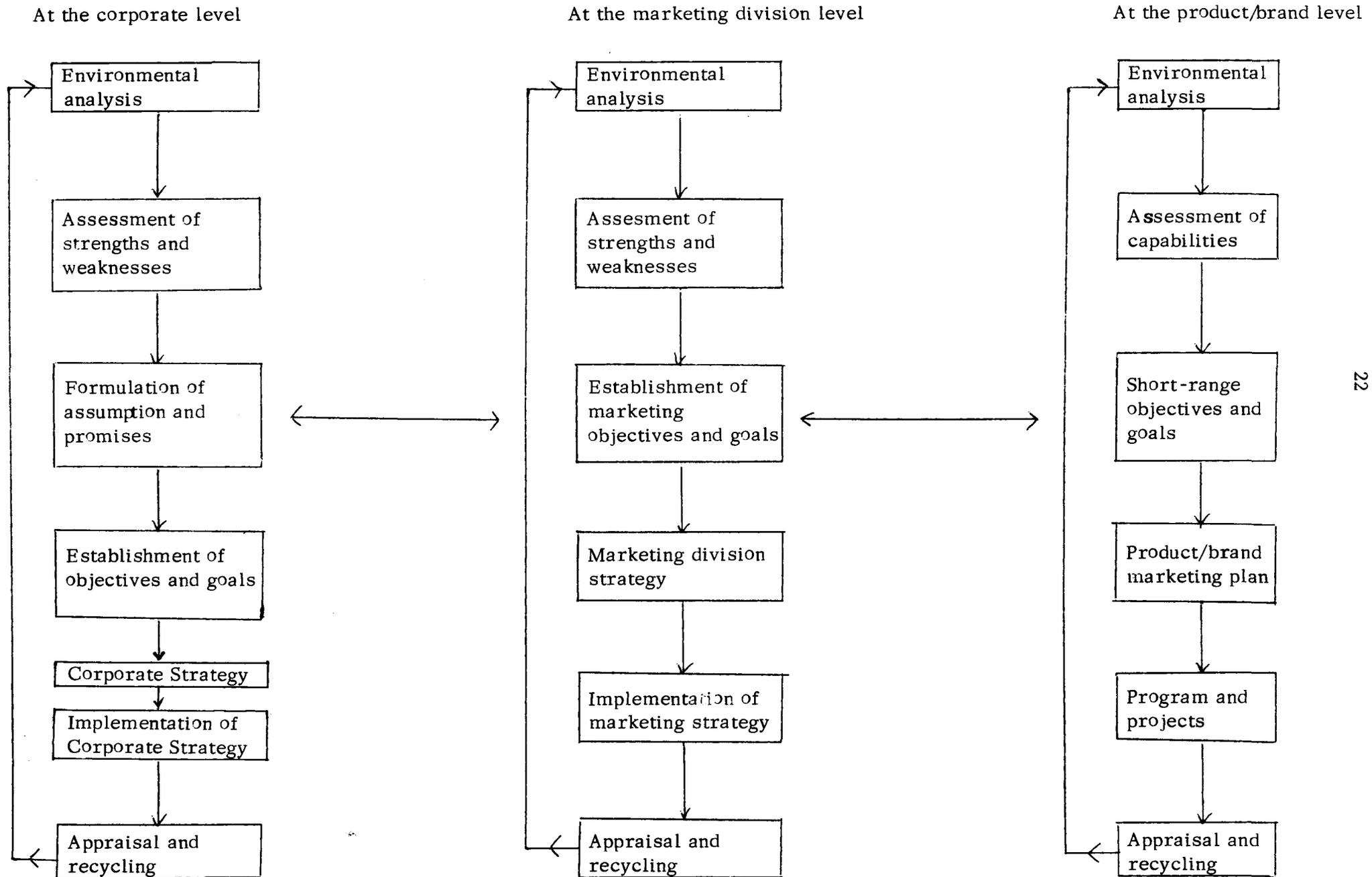
The specific objectives at functional and lower level in the organisation should not be in conflict with the broad objective at the corporate level (Granger, 1964; 65) and Koch (1970; 194-195)

Ackoff mentions that setting a high level objective (e.g. profit) will solve the conflict occurred at lower levels of the organisation (1970; 31-32). The same view is taken by Cantley when he specifies the functions of the corporate objective, which are:

1. 'Objectives are used to rank alternatives... This is their central function in decision making, i.e. choosing between the forecast outcomes of alternative courses of action
2. Objectives are used as measures for targets, and for subsequent assessment of the satisfactoriness of performance i.e. for control
3. Objectives provide a common framework of reference to ensure the consistency of decisions and measures in different parts of the organisation'(1972; 11)

Ansoff confirms these functions of objective and remarks that an explicit definition of objectives within the firm is required for this purpose (1968; 36). To accomplish these functions, corporate objective should work as an intermediate mean between corporate mission and operational actions, Figure 2.1. Therefore, they have to be specific enough

Figure 2.1 A framework for corporate, divisional and product marketing-planning process undertaken within the organisation



\* This figure is adopted from Claude (1969; 48) with extending the planning levels to three instead of two, long and short-range.

for measuring purpose and be related to both the broader and more detailed objectives at higher and lower levels in the organisation (Granger, 1964; 63-74). In addition, Humble (1969; 36-43) referred to the management by objective concept for solving the conflicts between objectives of different management levels. This concept is based on complete participation of all management levels, and thus each manager knows his target within the overall company objective.

The specification of objectives for the whole organisation, in turn, exerts some influence on management behaviour. Managers find themselves obliged to achieve the specified objectives through specific decisions or actions. In other words, objectives identify the responsibilities of managers and outline the constraints within which they operate (Ansoff, 1968; 42-43). Tilles supports Ansoff's attitudes and stresses on expressing objectives in terms of 'aspiration and constraints' (Tilles, 1971; 42-43).

In this section, market share objective has been viewed to be a useful device for directing and monitoring the activities within different time horizons, different organisational levels, or more specifically in the marketing division. For the purpose of this study, market share is considered a long-time objective but it covers a longer period at the corporate level than at the lower level. Although share objective is applicable to different levels of the marketing organisation, more emphasis should be paid at the lower level.

### 2.3 Marketing planning and management responsibility

Identifying the managers responsible for designing and implementing marketing plans requires, in advance, a definition and distinction of different levels of planning. In general, marketing planning is described as

"A written document designed to provide the framework for a co-ordinated and integrated effort to implement marketing program to achieve marketing objectives, which in turn make the necessary contribution to the achievement of corporate objectives" (Kollat, et al, 1972; 32)

Accordingly, marketing planning is a device to achieve the specified marketing objectives within the context of the overall company's objective.

Many authors have defined the term planning in a broad sense and/or in a narrow tactical sense. For example, Koopers defines the strategic plan by:

"The mode or plan of action for allocating scarce resources to gain a competitive advantage, achieve an objective, and capitalise on a perceived opportunity at an acceptable level of risk"(1975; 14).

Chandler, defined strategy as

"The determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals"(1962; 13)

Whatever the definition is devoted to strategic planning, most authors agree that it includes three components:

- a) What kind of business which a firm wants to be in with regard to products, and markets.
- b) The firm's objectives to be achieved in the long-run.
- c) The major policies by which a firm intends to reach its objectives within the selected product/markets area.

Rogers defines policy by this statement:

"A policy is a general piece of action that guides employees of a firm in their day to day activities toward the company's objectives"(1975; 14)

Policies such as product and market policies, give answer to the question "How will the firm reach its objectives". These policies should be consistent with the firm's objectives and its environment. They are set without specifying the time limits. But management should review them to ensure their consistency with changing conditions of external/internal

environments. On a day to day basis, Rogers differentiates between strategic decision including these policies, and operating decisions which are defined by:

"those that affect the internal efficiency of the firm without materially affecting its future growth" (ibid; 16)

Decisions such as variable cost control, output, innovation, and employee co-operation usually increase the short-term profits of a firm, but not secure its growth in the future. Meanwhile, strategic decisions which deal with the external effectiveness, can define the firm's future. Although, Ansoff (1968; 18) tended to include product/market policies within the operating decisions, the same differences between strategic and operating decisions were specified.

On the other hand, Rogers defines planning from the tactical point of view to:

"Consist of mapping out a predetermined, co-ordinated course of action to further the accomplishment of the strategy" (Rogers, 1975;15)

Ackoff distinguishes between both planning levels according to the following three dimensions:

- "1. The longer the effect of a plan and the more difficult it is to reverse, the more strategic it is.
2. The more functions of an organisation's activities are affected by a plan, the more strategic it is... (However), a strategic plan for a department may be a tactical plan from the point of view of a division.
3. Tactical planning is concerned with selecting means by which to pursue specified goals....normally supplied by a higher level in the organisation" (1970; 4-5)

Ackoff concludes that the distinction between strategic and tactical planning is relative rather than absolute depending upon the manager's position in the hierarchy as reflected in point 2 above.

Three managerial levels are illustrated by Foster (1972; 40):

- a) Top level management that including the Board of Directors, Managing Director, and Directors of the departments (e.g. marketing director);
- b) Middle management level presented by marketing manager and
- c) Bottom level management (e.g. product or brand manager).

Foster declares the joint responsibility of all top management to set the corporate strategy which includes overall marketing strategy. While Ansoff (1968; 20) and Drucker (1964; 6) assigned this responsibility to the Managing Director. In fact, the Managing Director has other duties reflected by Steiner when he refers to Newan and Logan's remarks, which are:

- "1. Plan. This includes setting objectives, determining policies, devising strategies - especially on a long range basis
2. Administer. The chief executive must select key personnel, co-ordinate, control and provide leadership
3. Perform other duties. Public appearances, contacts with government and industry executives, and other company representation are inescapable (Steiner, 1969; 3)

In contrast, Levitt (1962; 35) suggested that the Marketing Director should perform this duty since marketing people have good vision of what is going on in the external environment.

Meanwhile, Steiner (1969; 7-8), Kelley (1973; 221) and Rogers (1975; 14) have differentiated between the corporate strategy that is set for the overall company and divisional strategies (e.g. marketing strategy) designed by the senior divisional directors. Both of them are involved in determining the growth opportunities available to the company. Kotler (1972; 365-371) gave more attention to the strategic planning within the marketing organisation, and considered the Vice President of Marketing responsible for determining the overall marketing strategy. For the purpose of this study the Marketing Director is assumed to be in charge of determining the overall marketing strategy within the general line of the company. Within the context of this plan a marketing or product group manager designs the annual marketing plan that aims to evaluate the last year's results and next year's problems. Hence, for the overall company, geographical territories, and product groups, the goals for the coming year are identified (ibid; 371-384). At the bottom of the organisation hierarchy exists the product manager who develops a long and short-range plan for the product under his control (ibid; 364)\* and others as will be shown later.

However, all the above authors stress that the Managing Director has to make sure that corporate strategy is translated into the divisional and product plan. That can be achieved by reviewing and approving the plans before the implementation process.

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\* The analytical approach used in the above three plans are not the theme of this text. If the reader is interested in these methods, see the reference concerning (Kotler, 1972; 362-418)

Chandler (1962; 383-396) viewed the Managing Director's responsibility of planning in relation to the corporate growth stages. A company specialising in one product tends to centralise the decision making at the top. As the company becomes diversified in multi product/markets, divisional managers enjoy more autonomy in managing their units with respect to the unique environmental characteristics. The role of company headquarters is to focus on the strategic planning, while short-range planning activities are delegated to the divisional managers. In other words, top-downs planning approach is practised in the former, and bottom-up approach does appear in the latter.

Taylor (1976; 84) refers to the Harvard Business Schools' Studies (1971) of large industrial corporation in the USA and Western Europe which gives support to Chandler's classification.

Based on personal, structured interviews with the chief executives and marketing managers of 80 foreign subsidiaries operating in Brazil, Hulbert, et al (1980; 7-15) found that formulating annual marketing plans is the responsibility of these subsidiaries. Meanwhile, the role of headquarters in reviewing and approving the plan depends upon the origin of parent companies. The headquarters of European companies have a limited role which is the opposite in the American ones. The Japanese companies have less sophisticated planning systems, and thus the headquarter's role was not clear. In addition, European subsidiaries operating in the USA market have a high level of autonomy in decision making as found through interviewing fifty-six subsidiary's executives (Picard, 1980; 30-35).

Some confusion about the product management system, and in particular the responsibility/authority relationship need some attention. The concept of product management was first introduced by Proctor & Gamble in 1928

as it diversified its operation into multi-product lines, to free the Chief Executive from being involved in too much detail about the strategic plan of each. Therefore, he had to delegate the responsibility of setting this plan to somebody else down the line in the organisation hierarchy. It appears logically that 'functional managers' should be authorised for this task. However, as each of them operates within the limit of his division, he is not able to undertake responsibilities that need an integrative effort with other functional divisions.

Such constraints can be solved by assigning this responsibility to the product manager who designs and submits the plan to the Chief Marketing Executive. In turn, the latter will take the decision and delegates execution of the plan to the functional managers (Luck, 1972; 86-91). However, the nature of product managers jobs as a specialist without a sufficient responsibility over the functional managers whose performance determines the success of the product plan, makes his authority/responsibility relationship to be ambiguous. Luck solves this conflict by remarking that:

"The product manager is vested with no supervisory authority to compel support from functional departments. He has only 'prescriptive' authority exercised through top executives if they will demand that the line organisation adhere to the various products' programs" (ibid; 92)

However, to get the full support of line managers for the plan, he has to imply a persuasion approach with them. Sands (1979; 30-38) refers to the experience of different American companies in solving the conflicts of the responsibility/authority relationship, and the whole issue of product management systems in general. He concludes that firms with most experience of employing the product management concept have better understanding and adjust their organisational structure better to the system, while this is not the case in organisations with less experience. However, it seems that many multi-product firms will continue the application of this system until something clearly better emerges in the future.

On the other hand, McDaniel and Gray (1980; 87-94) report on the study involving marketing managers in 23 major industry groups (most of them in consumer packaged goods). They found that the controversy between product manager's responsibility and authority does not affect his performance in respect of managing the product.

However, Kotler highlights the differences of product manager's duties among the various companies. In some of them, he is only in charge of preparing the marketing budget plan for his product, while in a growing number of companies, his responsibility extends to:

1. Develop a long-range growth and competitive strategy for the product
2. Prepare an annual marketing plan and sales forecast
3. Work with advertising and merchandising agencies to develop copy, programs, and campaign
4. Stimulate interest in and support of the product among salesmen and distributors
5. Gather continuous intelligence on the product's performance, customer and dealer attitudes, and new problems and opportunities
6. Initiate product improvements to meet changing market needs, (1972; 392-395).

Luck identifies the product manager's tasks as including:

1. Conceptualisation of strategies for improving and marketing the product under consideration
2. Projection of the financial outcomes of strategies and determining the operating plan
3. Monitoring the execution and outcomes of plans, and adapting the necessary tactics to evolve conditions (1972; 83-84)

Sands summarised the product manager's duty by this statement:

"The product manager became the focal point for all activities which affect his product or products" (1979; 30)"

These basic activities are common to both consumer and industrial industries, but the scope of responsibility over the number of products, the time spent on advertising and promotion, the level of contacts with the customers, and the technological knowledge are different between these two industries (ibid; 31-32)

Within the context of study objectives, the attention is mainly concentrated on the responsibility of product manager in all industries rather than investigating the differences between them.

Regarding his position, Kotler specifies the 'Vice President of Marketing as the Superior of product manager', while McDaniel and Gray refer to the marketing manager (1980; 87). However, there is general agreement among the authors on allocating his position within the organisation of marketing department (ibid; 91), Sands (1979; 30) and Luck (1972; 91)

Following the above discussion, the study assumes that the product/brand manager is responsible for designing the product marketing plan rather than those managers charged with specific functional responsibilities within marketing (e.g. advertising, sales force etc).

#### 2.4 Determination of market share objectives

The classical economists believed the price of a product to be the sole determinant of the sales volume. The law of demand was used to explain this phenomenon:

"Sales varied inversely with price - at any given time and with all other things remaining equal" (Oxenfeldt, 1973; 245).

Although Edward Chamberlin's theory of monopolistic competition (1933) expanded the sales determination to non-price competition, economists have remained mostly concerned with a price factor for determining the sales volume. However, introducing the marketing mix concept (product, packaging, promotion, distribution and price) as the determining factor of sales by Professor Neil Borden (1953), and relating it to the developments of marketing programs by Professor Albert Frey (1956) have led the top marketing managers to select an optimal combination of marketing mix elements rather than to rely on a single factor (Oxenfeldt, 1973; 244-247).

Consequently, Bell, et al (1975; 136-141) offer a linear normalisation mathematical model called the 'market share theorem' for estimating the seller's market share level of a given brand in a competitive market, which equals the attraction factor of this seller over the sum of attraction factors of all sellers in the market ( $\frac{us}{us \& \text{them}}$ ).

Consequently, the 'attraction factor' of a given seller is determined by his marketing actions such as advertising expenditures, price of product, reputation of the company, the service supplied during and after purchases, location of store, etc., either directly or in relation to similar qualities for all the other sellers. The model is built on the following for assumptions:

- a) "Attraction factor is non-negative and non zero.
- b) A seller with zero attraction has no market share .
- c) Two sellers with equal attraction have equal market share.
- d) The market share of a given seller will be affected in the same manner if the attraction of any other seller is increased by a fixed amount" (ibid; 137)

The fourth factor is called 'symmetry'. Barnett (1976; 104-109) extends the 'market share theorem' to include cases in which 'symmetry' and 'linearity' assumptions are not required from the practical point of view. However, he admits the difficulty of distinguishing between the effects of each marketing factor on market share that is necessary to get the optimum level of marketing mix elements. Chatfield (1976; 309-311) has criticised this theorem on the grounds

of this argument. ,and the lack of empirical justification.

Nevertheless many attempts have been made to find out the collective effects of marketing mix elements on market share, for instance, Metwally and Davy (1977; 237-240) in the seven Australian Consumer industries, Wesis (1968; 290-295) in the Chicago Metropolitan food market. They found that when the market is dominated by few firms or brands, advertising and prices interact with each other and don't generate a linear effect on market share. The argument behind this conclusion is that larger advertising expenditures will support higher prices. Consequently, a single factor - price, advertising respectively is recommended for maintaining or increasing market share. However, Prasad and Ring (1976; 391-396) tested the individual interactive effects of price and several forms of advertising (TV, newspaper, and magazine) upon market share of frequently purchased canned food item priced at 60 ¢. The data was obtained from controlled experiments in two matched markets undertaken by the Milwaukee Advertising Laboratory. The findings showed the interaction of these marketing mix variables, but immediate effects on share were observed in the market which received higher levels of TV advertising, while lagged effects on share appeared in the other market that had lower levels of TV advertising. The influence of advertising only on market share was investigated by Narodick (1972; 31-36) in the American business travel market in which price, transportation and place utility are held static respectively by high competition and Government regulations. The study found that nationwide advertising has positive effects on market share in the long-haul city pair market. The same results were found in the cigarette market, but investing in advertising by a given firm will have decreasing marginal returns on its share as well as increasing competitor's shares over time (Horsky, 1977; 10-20). Thus, he concluded that care has to be taken in deciding the level of advertising expenditures. In contrast, a single marketing factor such as price cannot determine the consumer behaviour and consequently market share as Shirland and Inoue found out in the airline industry (1974; 33-41), because consumer's behaviour is influenced by collective effects of marketing mixes under 'information theory':

"Consumers are positively or negatively motivated by signals and messages in the form of price, advertising expenditure, special promotion opinion, etc. These factors working collectively, then, are expected to determine individual customer choice and consequently the market share to be occupied by the product" (ibid; 33-34)

The position undertaken in this thesis is that normally a combination of marketing decision variables rather than a single factor determine the market share level of a product. In addition, finding the optimal mathematical combination of these factors is not the aim of the thesis. Instead, identifying the descriptive effects of marketing mix elements on share within the context of profitability objective will be focused on in the following sections.

#### 2.4.1 Market Share within the Context of Profitability

As mentioned in the second section of this chapter, the main objective of any business firm is to achieve a high level of profitability, therefore, market share objective that is assumed to be the target of marketing planning should serve this objective. Shepherd (1972; 25-37) developed a model to investigate the relationship between rate of return on capital and a firm's market position defined by its market share, concentration ratio, entry barriers, size, advertising intensity and industry growth rate. Secondary data on 231 largest American industrial corporations selected from the 500 Fortune Directory were collected to test the model. Market share level was found to be the main factor determining a firm's profitability. This relationship is linear but it is not definite at the high share level. Catry and Chevalier had indicated this relationship by referring to the performance of General Motor, and applied 'break-even analysis' and 'the notion of band-wagon effects' to explain it. The latter factor involves that:

"A higher share offers a positive image to the customers and retailers, and consequently high sales and profit levels" (1974; 30)

Buzzell, et al (1975; 97-106) worked on a project sponsored by the American Marketing Science Institute and the Harvard Business School, to investigate the profit impact of market strategies - PIMS - in 620 businesses for the years 1970-1972. Based on the comparison of RoI of firms with under 10% shares\* and firms over 40%, they found on average across the whole of industry that

"the firms that have achieved a high share of the market they serve are considerably more profitable than their small-share rivals" (ibid; 97)

The factors behind this relationship are:

a) Economies of Scale

A large share firm has generally more accumulated sales than its smaller rivals, consequently, it gains a lower purchase to sales ratio and, in turn, a higher profitability. The type of industry has a role in deciding the method of reducing costs. A seller operating in frequently purchased products (specifically, consumer products), can gain cost advantages of advertising by getting discount on mass advertising. In addition, he can stimulate the acceptances of greater proportion of customers and sellers, bandwagon effect. Meanwhile, a seller of industrial products can reduce cost by increasing the specialisation of his own sales force for each product line (ibid; 98). Costs may also increase as large investment is devoted to expand the firm's manufacturing and marketing capitals. However the advantages of increasing share outweigh its disadvantages. Crissy and Cunningham (1971; 27-28) indicated that economies of scale, which are closely related to the experience curve, in manufacture, promotion, and distribution, enjoyed by the existing firms in an industry, represent a barrier to entry in stable or mature markets, while the effect is not clear in a market with a growth potential.

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\* The study defined market share of each business by its dollar sales value in relation to the total market sales.

## b) Experience Curve

Hirschmann (1967; 125-139) had pointed out that direct labour cost declines at a constant rate with increasing numbers of production units. Then,

The Boston Consulting Group (1972) extended this argument to cover variable and fixed costs, such as Research and Development, Capital Distribution and overheads and funds for a particular product, and found that costs decline by 20 to 30% each time accumulated experience is doubled. This cost behaviour is derived from learning effects, scale effects, cost realisation, developing alternative materials and methods of manufacture and distribution and technology (ibid; 18). In addition, the same pattern of association occurs between the price/volume relationship if the competition within a given market remains stable (ibid; 19). These observations were related to the market share of a product over its life cycle, and it was concluded that:

"The competitor with the greatest sustained market share should have the greatest accumulated experience and hence lowest relative cost" (ibid; 30)

Yelle (1980; 371-318) conceptualises the existing relationship between the product life cycle and learning curve (cost) and mentions that:

"If a firm is able to sustain a steeper pLc than its competition, the resulting lower costs give it a competitive edge. The firm generally has a large if not the largest market share, and it is able to ride this advantage through the mature phase of the pLc" (ibid; 316)

The above authors, particularly the latter two, have encouraged firms to utilise this phenomenon for marketing strategy formulation as will be explained later on.

## c) Market Power

Economists believed that the correlation between high share/high profitability is a result of the firm's power in a given industry rather than economies of

scale, since this firm can bargain for higher prices, and consequently higher profit (Buzzell, et al: 1975; 98). However, the PIMS study has shown that the importance of market share with respect to RoI varies according to the type of industry. Two conclusions are derived as follows:

1. "Market share is more important for infrequently purchased products than for frequently purchased ones"\* (ibid; 102)

Because, the former products characterised by durables, feature high unit costs and consumer durability, are complex and difficult to evaluate; thus a buyer is ready to pay a high price for avoiding risk. Meanwhile, the latter products (low cost-value) involve less risk, and a buyer may purchase any brand regardless of its share level.

2. "Market share is more important to businesses when buyers are fragmented rather than concentrated" (ibid; 102)

Since the fragmented buyers cannot bargain for reducing the price per unit, a firm can gain higher profitability as far as its product enjoys a high share level, while the opposite occurs in the other case.

#### d) Quality of Management

A large share firm has enough resources to hire highly qualified managers who are able to formulate an efficient marketing strategy.

Gale (1972; 412-423) unified these factors into one interaction hypothesis:

"The effect of share on profitability will be greater when the firm is large (has bargaining power) and competes in market environments which are conducive to oligopolistic co-ordination and may exhibit economies of scale (highly concentrated, medium growth industries) (ibid; 415)

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\* Frequently purchased products are defined as "those typically bought at least once a month"

Hamermash, et al (1978; 92-102) studied the performance of 400 small share American companies and, in particular, three companies operating in different industries (mainframe computers, metal can, and forest products). The study showed that all companies enjoy healthy RoI for five years running and do not intend to increase their share. The reasons behind this performance are concentration on innovation in the greatest profitable products, adopting a specialisation rather than a diversification strategy, and employing wise managers. Hence, they stressed the need for evaluating the situation of each company separately rather than the whole industry for deciding the share/profitability relationship, and in turn, maximising share level.

The above discussion shows that the majority of authors conceive a direct linkage between market share and RoI. However, they disagree about whether maximising or optimising market share level is the better marketing strategic plan. The descriptive nature of the present study implies that finding the share level is not the aim, but increasing share should be the target of marketing strategy for better profitability. This objective is not always true, it depends upon the position of product over its life cycle as will be discussed in the following section.

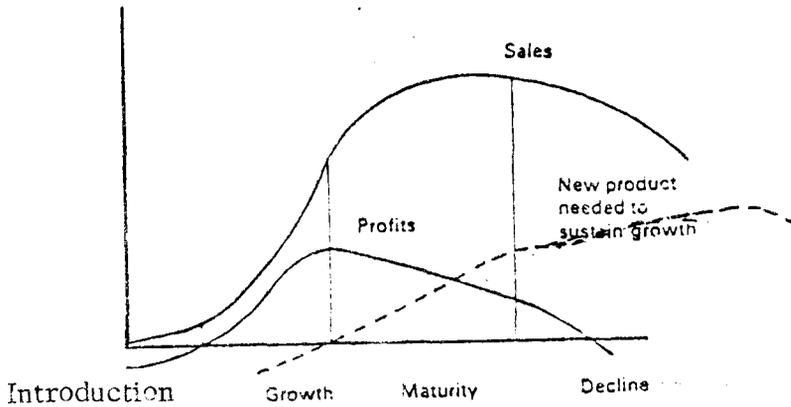
#### 2.4.2 The Product Life Cycle

Doyle (1976; 1) indicates that the product life cycle concept is based on two major elements:

a) product sales passes through a sequence of stages (introduction, growth, maturity and decline) at varying speed, and thus profits generated from selling the product follows the same pattern. However, due to changing competitive intensity within a product's market, the profit curve starts declining at the latter two stages after reaching its peak in the growth stage. Meanwhile, the sales curve may still be rising until entering the decline stage.

To sustain sales and profit growth, new products should be developed to fill the gap left by existing products Figure 2.2.

Figure 2.2 Stages in the product life cycle



adapted from Doyle (1976;1)

b) Because each stage contains unique opportunities and problems different marketing mix elements should be applied over the cycle. The characteristics and marketing responses for each stage of the cycle are presented in Table 2.1.

Table 2.1 The characteristics and response of the stages of product life cycle

Introduction	Growth	Maturity	Decline
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CHARACTERISTICS

SALES PROFITS CASH FLOW CUSTOMERS COMPETITORS	Low Negligible Negative Innovative Few	Fast growth Peak levels Moderate Mass market Growing	Slow growth Declining High Mass market Many rivals	Decline Low or zero Low Laggards Declining number
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RESPONSES

STRATEGIC FOCUS MKG. EXPENDITURES MKG. EMPHASIS DISTRIBUTION PRICE PRODUCT	Expand market High Product awareness Patchy High Basic	Market penetration High (declining %) Brand preference Intensive Lower Improved	Defend share Falling Brand loyalty Intensive Lowest Differentiated	Productivity Low Selective Selective Rising Rationalised
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adapted from Doyle (1976; 5).

Similar applications of the product life cycle to planning the marketing mix elements can be found in Smallwood (1973; 29-35)

In addition the above two bases of product life cycle concept can be classified into the supply and demand factors. The former includes a) production capacity which first limits the growth of sales but tends to be excessive later on; b) Distribution changes that accelerate the growth rate; c) Competitors who try to imitate the new product in order to capture the growth opportunities. Consequently, the size of a market initially expands but eventually leads to over capacity and reduces profit; d) innovating a substitute product that leads to the decline phase. Meanwhile the consumer's demand factor is described by the pattern of adoption over time. Five categories of consumers with their percentage of the total are identified and fitted to a normal curve, which are - Innovators; 2½%, Early adapters; 13½%, Early majority; 34%, Late majority; 34% and Laggards; 16% - (Doyle, 1976; 2-3)\*

The product life cycle concept as an indicator of a market growth rate, degree of competition, profits, and technological change, has become the thematical issue for corporate strategy and long/short range marketing planning. - Buzzell, et al (1975; 102-105) propose four market share strategies which are :

a) Building market share strategy

When a new product is first introduced to the market its growth rate moves slowly but is associated with low competitive intensity. Hence, the strategic marketing focus should be turned to expanding the market and to building up a market position before competitors enter the market. Profit is negative or low because of high unit costs and heavy marketing expenditures. During the growth stage, the product sales growth is accelerated rapidly and accompanied with small increases in competitive activity. Building the market share rather than creating the market for a new product becomes the target of marketing strategy. Because of the effects of the experience curve and economies of scale in production and marketing, the company begins to

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\* For illustration purposes see page 2 of the concerned reference

realise the positive relationship between market share and profitability (Doyle, 1976; 1,5), Bloom and Kotler (1975; 57) stated that gaining share can be accomplished by applying innovative programs in marketing mix elements (production, distribution, and promotion) and/or filling the needs of unsatisfied consumer segments of the large market. However, such programs require time and large investment of cash that is also associated with a high risk. Hence, market share should always be conceived as a long time investment that is vital to assure the product's survival in the other stages. Abell and Hammond (1979; 182) declare that building market share may be either an offensive or a defensive strategy. The former strategy is applied by a firm with a viable share for enhancing its profitability. Meanwhile, in most industries firms do need to acquire the minimum share (defensive strategy) that is necessary for the long term survival.

b) Holding or maintaining share strategy

"Abell and Hammond define this strategy by: "It is preservation of a desirable status quo", (ibid; 183)

When the product enters the maturity stage characterised by slow sales growth and many competitors entering the market, maintaining the share level becomes the target of a strong share company. Gaining higher share is very expensive and time consuming since it comes at the expense of other rivals. Bloom and Kotler (1975; 68) pointed out that maintaining a strong share level can be accomplished by some form of defensive strategy such as: 1) Fortification - preventing competitors from moving into the market by introducing multi-brands in one product line; ii) Confrontation - defending a firm's position by initiating expensive promotion, or cutting price, or innovating a new product. Thus, a holding share strategy does not necessarily require heavy cash investment. Rosenberg (1976; 101-117) examines Schumpeter's hypothesis revealing a positive relationship between a firm's market share and

technological innovation measured by allocating time and employment to R and D versus Scherer's theory that assumes the opposite. The study proves the latter theory since a smaller share firm has to apply innovation program to compete with large share firms\*. Because of the above combined factors, Doyle (1976; 2) has described the declining profitability level of a strong share company at this stage.

c) Share reduction or harvesting strategy

Because of advanced technology, changing consumer's fashions, and exogeneous cost factors, the product sales eventually decline at the last stage of the cycle. Hence, a company leader allows the share of a given product to go down and end its profitable life (ibid; 2). Demarketing strategy that involves rising prices cutting back promotion expenditures and services, or reducing product quality are implemented to decrease the consumer's demands temporarily or permanently (Bloom and Kotler, 1975; 69)

d) Withdrawal strategy

If a product share is below the minimum viability limits, or promotional cost is far ahead of short-term cash earnings in the decline stage, eliminating the product and putting production and marketing resources elsewhere will be the appropriate strategy (Abell, and Hammond, 1979; 184). The statement made by Buzzell et al (1975; 103) illustrates that:

"in many cases, even marginal rates of return can be earned only by attaining some minimum level of market share. If the market share of a business falls below this minimum, its strategic choices usually boil down to two: increase share or withdraw"\*\*\*

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\*Schumpeter used absolute size term (sales, employment) to classify the firms, while the study adopts relative measures (market share level)

\*\* Examples of applying these strategies by firms operating within different industries can be found in the references mentioned in the text, particularly Abell and Hammond(1979; 182-184) and Bloom and Kotler (1975; 63-72)

Some authors have placed more emphasis on the first three strategies for instance, Bloom and Kotler (1975; 70-71) propose a 'risk reduction strategy' instead of 'withdrawal strategy' for the reasons being specified in the previous section of this chapter. The weapons of this strategy are a) improving the company image among the public; b) competitive pacification that involves establishing better relations with the competitive companies; c) making government institutions dependent on the company's products and acquiring government legislative supports; d) diversification strategy that will be discussed in the next chapter; and e) social responsiveness - gaining the trust of consumers by satisfying their social needs.

Catry and Chevalier (1974; 29-34) illustrate that selecting any one of these three share strategies should be viewed in respect of a product position over its life cycle, and a firm's position in the market - small, average or dominant position. Within this context, the best result is obtained in terms of profitability and cash flow by the dominant firm that intends

"To invest in the early stages of development of the product cycle, then to attain a dominant position at the maturity level, and to stay there long enough and disinvest before the overall enters its decline stage"(ibid; 33)

In addition, Fogg (1974; 30-38) proposes the process of gaining share strategy in connection with the product life cycle. For this purpose, two strategies - building and maintaining - are considered and traced respectively to the early stages, and the latter two. By doing so, he does not discriminate between maintaining and reducing share strategies for the mature and decline phases respectively. Whatever classification of share strategies has been adopted, there is clear evidence that share objective becomes less important at the later stages than at the earlier ones of the product life cycle. Similar evidence is provided by the present study. On the other hand, Filder and Lofthouse (1975; 57-59) have criticised Catry and Chevalier's attempt of relating a firm's profitability to its market share level over the product life cycle because of the lack of empirical evidence supporting

the life cycle over time. The stages of this concept can not be predetermined in advance, instead, they are a function of marketing strategy and consumer's preferences. Dhalla and Yuspeh (1976; 102-110) hold the same attitude and mention the irregularity and difficulty of determining the switching points of the stages for all products in general. In fact, they distinguish between the life cycles of product class (e.g. cigarettes), product form (e.g. filter cigarettes) and brand (e.g. Winston) and point out that the product life cycle loses its validity when moving towards the brand level. Therefore, they urge management to forget the cycle and focus on lengthening the maturity stage rather than on developing a new product. Such strategy will enable the companies to conserve their resources that are very hard to get in the present harsh economic climate.

Doyle (1976;3-4) confirms the lack of a comprehensive empirical study to check the validity of the product life cycle concept over time. The few available studies undertaken on small samples of a particular product<sup>3</sup> stress that:

"There is clear evidence that while most products do follow a broad life cycle pattern, the PLC itself is insufficiently uniform to provide a basis for prediction and therefore for planning"  
(ibid; 3)

However, he considers that the form of the time (dependent) relationship does not preclude applying this concept in marketing planning. As long as management monitors and forecasts the changes of marketing mix elements (internal factors) and the technological, economical, and social of external environment, the product life cycle can be used efficiently.

Consequently, the present study considers the product life cycle a useful device for guiding and specifying the market share strategies if managers direct their

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\* For more information about these studies see the reference to Doyle (1976; 3)

attention towards evaluating the external/internal environmental factors at each stage of the cycle.

#### 2.4.3 Matching a firm's internal/external environmental characteristics

The concept of the product life cycle has been identified as an integrated marketing strategy for a single product, but the situation of multi product/markets companies becomes more complex. The scarce resources have to be allocated profitably over these units according to their external/internal environmental profiles. Hence, some portfolio packages have been developed to help the companies in this task. Abell and Hammond (1979; 173-193) describe the product portfolio approach proposed by the Boston Consulting Group (1970). This concept illustrates the correlation of a) market growth rate (stages of product life cycle) and b) a company's relative market share,\* and consequently the cash flow. These two factors are displayed in a matrix called a 'growth share matrix' that can be developed for each of the company's major competitors (Figure 2.3).

Figure 2.3 Growth Share Matrix

Growth rate (cashuse)	high	stars (*)	Problem children(?)
	low	cash cows (\$)	Dogs (X)
		High	Low
		Market Share	(Cash generation)

The left side of the matrix includes products generating strong cash flow as having high relative share and consequently good margin, while the right side shows the opposite.

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\* Relative market share is defined as "the ratio of the firm's unit sales of a product to the unit sales of the same product by the firm's largest competitors" (Abell and Hammond, 1979; 176)

Products in the growth market (upper side of the matrix) needs heavy cash investment to increase or maintain their shares, whereas products in the mature or decline market (lower side) does not require such cash investment. Hence, four types of products emerge as shown in the above matrix\*, according to the present classification of products and the market dynamics in the future (problem children - stars - cash cows - dogs). A successful long and short range plan consists of:

Harvesting 'cash cows' to generate cash flow that will be necessary to support the position of products elsewhere; increasing the share of 'problem children' that, in turn, requires large investment of cash. Since the 'stars' may or may not yield sufficient cash flow to finance their high share, holding share will be the best strategy. Meanwhile, withdrawing 'dogs' will be vital as having poor profitability in the growth stages and weak cash flow in the mature and decline stages. To sustain the market share and hence the profitability in the long term on one side and cash flow in the short term on the other side, a multi product company has to distribute its products over the stages of product life cycle. However, more emphasis has to be given to the 'cash cows' and 'problem children'.

In addition, identifying the appropriate strategy of multiproduct/market companies can be accomplished by plotting market growth rate against product (capacity) growth for each product (growth gain matrix). The aim is to concentrate asset growth in products whose potential market growth, and, in turn, market share is high (ibid; 182)\*\*

Many authors have described the product portfolio approach, in particular the 'growth share matrix' such as Cox (1974; 465-470), Hedley (1977; 9-15), Day (1977; 29-38).

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\* For more detail about these products, see the reference Abell and Hammond (1979; 177-178)

\*\* More detail about this approach can be found in the relevant reference.

Another approach called 'profit optimising model' (PROM) for allocating the resources between different business units or subunits was created by General Electric (USA). Investment opportunities are ranked by weighting the position of each unit according to two dimensions, business strength and industry attractiveness. Instead of market growth rate and relative market share that were used in the former approach, some composite measures grouped under five major factors (market, competition, financial and economic, technological, and socio-political)\* are adopted for the purpose of classification. Consequently, three strategic options become available to a firm a) investing/growing in a business unit having a medium or strong position in an attractive industry. Such strategy is adopted at the early development of an industry or growth phase; b) Divesting/harvesting a business unit that is operating in a less attractive industry and enjoying only a weak position; c) selectivity/earnings strategy in a unit allocated either in an attractive industry with a weak position or in a less attractive industry with a strong position. Cost/benefit analysis should be performed for deciding the type of strategy - investing or divesting. Usually such a strategy fits a unit operating at the mature or decline phase of an industry (Hopkins, 1977; 415-416, Taylor, 1976; 93-95 and Abell and Hammond 1979; 211-227)\*\*

In addition, Robinson, Hichens, and Wade (1978; 8-15) report on the development of another portfolio approach called 'The Directional Policy Matrix' (DPM) and developed by Shell International Chemical Co Ltd. Each of the company's business sectors (products) is rated and plotted upon two dimensional matrix (3 categories to each dimension). These dimensions are: a) profitability prospect that is judged by market growth rate, market quality, industry feedstock situation, and environmental aspects and b) company's competitive capability measured by market position, production capability, and product

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\* For more detail about the components and each factor, the reader can refer to Abell and Hammond (1979; 214)

\*\* Illustrative figure can be found in those references

research and development. Nine different investment categories or product strategies are indicated for the future\*. In fact, all these categories can be classified into the four major market share strategies of Boston Consulting Group (1970). Even they work under the same conditions of Boston's strategies.

The product life cycle, alone or in combination with other factors, can be a useful guide for corporate and marketing strategy formulation. However, when the product is launched in different geographical markets with various growth opportunities, the marketer has to specify a single life cycle to each of these markets, as illustrated by Taylor's statement:

"As countries and regions vary in sophistication, products may become obsolete in one market and still be appropriate in a less developed or less affluent area....a sequence of product life cycles, or rather a similar product life cycle occurring at different times in different markets" (1976; 82)

Fruhan (1972; 100-107) reports on the failures of some large American companies in matching the financial resources and the external environmental factors such as anti-trust government legislation - that is necessary to implement building share strategy. In the main-frame computer manufacturing industry GE and RCA tried to avoid the latter factor by employing internal growth strategy but without consideration of the required financial resources. In the retail grocery industry, National Tea and many of its competitors evaluate the financial strength that is required to acquire smaller companies without taking care of the legislation factor. Meanwhile, the latter factor was neglected by large air transport carriers that opted for the internal growth strategy (purchasing more aircraft to provide frequent services). Hence, those companies paid an expensive price of losing their profitable and competitive positions to smaller share companies.

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\* For more detail about these products and illustrative figure, the reader can refer to the reference.

Zenith radio corporation is another example of a company investing heavily to maintain share position without evaluating the effects on profitability. This corporation was involved in a severe share battle against its rivals such as RCA, Sylvania, Magnevox and others who tried to gain further share in the colour TV market. Although, it succeeded in maintaining its leadership position, cutting its earnings on TV sets that were the main source of revenue, was the price (1977, 128 and 132). For the same reasons Fogg (1974; 34-38) advised firms to check their capability against competitor's competence and anti-trust laws before executing share building strategy. However, he differed from Fruhan in his assessment of the general situations in which the government agencies intervene to stop increasing share. The following statement reflects Fogg's view

"The government may challenge market dominance if it is thought to significantly lessen competition in the industry in question or if significant share gains are obtained by acquisition rather than by internal growth" (ibid; 38)

In relation to this study, the constraints imposed by the external/internal environment do affect the selection of share strategy and, in turn, require careful evaluation, which can be undertaken within the context of the product life cycle.

## CHAPTER THREE

### DEFINING THE MARKET BASE FOR MEASURING MARKET SHARE OBJECTIVES

### 3.1 Introduction

In the previous chapter, the application of market share objective in strategic and tactical marketing planning was discussed, but no attention was given to how the performances of these plans is assessed in respect of achieving this objective. The main obstacle behind performing these managerial functions (planning and controlling) is how the market base is defined for measuring the market share level. Therefore, this chapter is devoted to explore the author's views towards the delineation of business boundaries that are influenced by the marketing planning level, the manager's position in his organisation, a firm's structure, and the internal/external environmental conditions.

### 3.2 Defining the business at the corporate level

The term 'business' is defined by Drucker as:

"a process which converts a resource, distinct knowledge, into a contribution of economic value in the market place"  
(1964; 85)

The definition of business at the corporate level reveals the industry that a firm seeks to serve. Tilles defines the term 'industry' as "a system of related businesses and competitors"(1971; 34).

Most authors have believed that defining the industry is the first step of strategic planning (Levitt, 1962; 78). Abell and Hammond (1979; 390-391) specify two reasons behind such belief, which are: a) Defining the business is seen as a creative decision which determines the firm's success in the future; and b) it is an input for other decisions undertaken in the organisation, such as deciding a firm's mission, designing strategic and tactical plans.

However, authors have differed in how widely the industry should be defined, as illustrated in the following discussion.

Levitt (1962; 11-38) remarked on the rapid changes in the external environment which lead top management to shift their vision of a business from a traditional product oriented approach to the consumer oriented one. Nowadays, satisfying the consumer's needs rather than selling products manufactured by company is the focus of top management. In addition, an industry needs to be defined broadly enough to secure the survival and growth of a company in the far future. He cited many examples of companies that failed to do so and faced shrinking business, and in turn profits. One of these examples was that:

"The railroads are in trouble today not because the need was filled by others (cars, trucks, airplanes, even telephones), but because it was not filled by the railroads themselves. They let others take customers away from them because they assumed themselves to be in the railroad business rather than in transportation business. The reason they defined their industry incorrectly was because they

were railroad oriented instead of transportation oriented; they were product oriented instead of consumer oriented" (ibid; 40).

Consequently, Levitt urged the top managers to stretch their thinking and start searching for new opportunities, consistent with the current business, rather than depending on what he called the "Condition of self-deceiving cycle". This cycle emerged because of the following factors:

- a) Believing that growth opportunities are secured through continuous expansion of the population
- b) Thinking of the undeveloped competitive substitute products to the company offerings
- c) Depending on mass production and preoccupying with improving the products to reduce manufacturing cost

Alder (1972; 60-77) who confirmed Levitt's attitudes, added other factors to the above as follows:

- a) self-imposed limitation of top management.
- b) identifying many objectives rather than concentrating on a single one.
- c) the decentralisation of decision-making has made managers dependent on each the other in achieving an objective.
- d) increasing the role of marketing consultants.

In addition, Tilles (1971; 25 -50) agreed with Levitt's broad definition of an industry when he quoted:

"The manufacturers of cans thought of themselves for many years as being the 'can' industry. As the tin can encountered increasing competition from other packaging materials, some companies changed the concept of their industry from 'cans' to 'packaging'"(ibid; 39)

Redefining the industry boundaries in Tilles's opinion is a continuous rather than one-time decision as the technological developments occur so rapidly.

In contrast to that belief, Drucker (1964; 183-189) pointed out that definitions of the industry for the present and future should be consistent with each other. A firm needs a 'unified programme for performance', and thus a balance must be set between defining the industry wide enough to permit the firm to grow and change in the future, and a narrow definition enabling the firm to concentrate (e.g. defining the industry in terms of television sets is too narrow but enlarging the definition to entertainment is too general). By creating this balance, the firm secured two factors: a) management can perceive the firm's destination in respect of its capacity; b) management can translate this direction into operational decision making. The managerial knowledge and excellence - "a capacity of people to do something in such a manner as to give leadership to the enterprise"(ibid; 187) - are the key factors behind judging this balance. The firm then has to achieve sufficient concentration for gaining a leadership position without restricting its opportunities for growth and change. As Drucker stated:

"The idea of the business should enforce concentration. It should make possible determination of the specific knowledge in which excellence has to be attained, and the specific markets in which the business has to strive for leadership"  
(ibid; 185)

In addition, Drucker differed from Levitt in selecting the dimensions of a business. He urged the managers to start looking at the business from the product, or product line point, and then to look outside for the markets and distributive channels for the product, because the product does not exist except within the context of a market i.e. the customers who buy the product for an end use, and distributive channels that bring the products to the customers from the producers. All these dimensions must be analysed together and any interrelationships recognised. However, he admitted that market and distributive channels are outside the control of management,

and thus they need thorough investigation and consideration related to the product dimension (Drucker 1964; 19-23).

The postwar success of Japanese companies over their European counterparts is largely attributed to the adoption of a concentration approach. The whole market is first dissected, and then, those segments in which relative competitive superiority can be gained at a minimum cost are selected and pursued by aggressive innovative programs in production and marketing (Ohmae, 1978; 50-59).

Christopher (1970; 56-64) reported on the experience of Hooker Chemical Corporation when designing a long-range corporate marketing plan over ten years (1960-70). The corporation adopted a business definition that compromised between the two concepts of Levitt and Drucker. Consequently, long-term objectives (profitability, sales volume, and market share) were achieved as well as the company's growth targets. Foster supports Christopher's attitude about specifying the balance between broad and narrow definitions of industry when he states:

"If it is too narrow it stifles managerial thinking and limits their horizons; if too wide, the company will strain itself in trying to overreach into the impossible" (1972; 84)

Ansoff (1968; 94-100) has argued against Levitt's broad definition of a business on the grounds that it does not provide an identification of what he called the 'common thread':

"relationship between present and future product-markets which would enable outsiders to perceive where the firm is heading, and the inside management to give it guidance" (ibid; 95).

In addition, he criticised the traditional way of defining the business (characteristics of product line, type of technology, and markets) for its narrowness. Because many firms find a suitable opportunity to diversify in different fields, the boundaries of an industry become unspecified, and in turn, the common thread is not strong. Instead of these two methods, he suggested an alternative approach called 'the components of strategy'. The

common thread is specified in two dimensions, which are:

- a) product-market scope: A firm evaluates those industries to which it confines its product-market position, and focuses on the well-defined ones.
- b) Growth vector component: A firm indicates the path of its movement in respect to the current and future market-product posture.

Consequently, four strategies - market penetration, market development, product development, and diversification - emerge (Figure 3.1).

Figure 3.1 The grid of growth vector components

Product Mission*	Present	New
Present	Market penetration	Product develop- ment
New	Market development	Diversification

(cited from Ansoff, 1968; 99)

\* Mission ("an existing product needs") rather than a market ("the actual buyer of the product") was applied to show the growth opportunity available to a firm.

The first three strategies identify very clearly the common thread that requires a firm's involvement in marketing skills, product technology, or both. Two further considerations are then brought in:

- c) The competitive advantage: A firm seeks to attain a leadership position in a part of the product-market area where competitive superiority over others is feasible.

- d) Synergy: synergy means that the whole is greater than the sum of its parts; a firm builds its new business in ways consistent with the old one so that together they generate a higher return on investment than the return of each business undertaken separately (ibid; 72-76).

By employing one or all of these ideas, a firm has guidance to act in the present within an existing industry, and a direction of growth in the future across industry boundaries.

In addition, Henry (1972; 97-108) argued with Levitt's broad definition of business and suggested that a firm offering rail transportation does not need to enlarge its operational boundaries to transportation in general. If this particular business declines, then it will make sense to search and select other options where competitive advantages are secured. Therefore, he applied the product/market matrix developed by Ansoff but with simple modification. The present market category was broken down into two classes - saturated and extensible markets, and thus the existing product and improved product modelling that are offered into a new geographical area are classified under market development and product/market diversification categories respectively. Meanwhile, the diversification cell includes a new product/market option that is outside the established marketing structure and production processes.\*

Cohn (1981; 4-10) applies a three dimensional matrix consisting of product, market, and competitors (MPC structure) for selecting from a wide variety of

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\* If the reader is interested in the illustrative figure, he can turn to the reference (Henry, 1972; 105).

current and potential product/market opportunities the business sectors that provide the firm with the highest return on investment and sustain growth opportunities in the future. The criteria of choosing a new venture are based on: identifying a firm's strengths and limitations in relation to each possible opportunity, evaluating the internal/external impact of each desirable opportunity on the firm and screening those desirable opportunities according to the firm's mission and criteria.

In addition, Cooper (1978; 46-54) used the same procedures above for selecting the strategic business sector as a target for technological innovation, but with a four dimensional matrix - market, products function, technology required to produce the product and production system. Ansoff (1968), Cooper (1978) and Cohn (1981) have concerned themselves with defining business opportunities for the purpose of a firm's resources allocation, while Drucker (1964) considered it as a programme for performance. Since our own aim is to define the market base for measuring market share, this thesis deals mainly with defining the business in terms of programs rather than resources.

In summary, two approaches of defining the business at the corporate level have been established in the literature. Defining the business by its scope is seen as more vital for maintaining company growth in the future, while concentrating on part of that business is necessary to gain a leadership position. The position taken in this thesis is that both approaches should be considered for measuring the market share level but they are applied at different planning levels, different management levels and different internal/external environmental conditions rather than at the corporate level alone.

### 3.3 Market Segmentation

The previous section indicated that business definition involves market segmentation.

Before setting out the author's opinions about this concept, it is necessary at this stage to define the term 'market'. As was indicated in the previous section, Ansoff (1968; 96) applied the term market to refer to a firm's actual customers, while 'mission' covers the potential customers. Both types of customers are involved in Foster's definition of a market which is undertaken from the marketing point of view:

"All people or enterprises who buy or can be persuaded to buy his products or services" (1972; 58)

In addition, Foster refers to the economists' definition of the market for a product in which both the customers and sellers are included:

"All the buyers and sellers who are interested, or potentially interested in that product" (ibid, 58)

Meanwhile, only the potential customers of a given product are included in the market definition by Sissors when he quoted:

"a group of potential purchasers of a given product and brand" (1966; 21)

Tilles conceived that the potential customers should share a common profile for the purpose of strategy formulation, and thus he defined the market by:

"a group of customers having some common characteristics that are strategically important" (1971; 29)

Because of the rapid changes of social, economic and technological characteristics of the external market environment, marketers have become aware that the mass market concept is no longer feasible, and thus the concept of market segmentation has emerged. This concept is implemented for differentiating the firm's offerings across the segments

and/or for differentiating one firm's offering from that of other competitors. For example, Sloan (1965) referred to the practice of General Motors in segmenting its market by price/ quality brackets upon which different brands of cars are designed (Abell, 1980; 5). For the latter case, Foote (1972; 51-52) viewed the experience of Zenith Radio Corporation in protecting its market share and profitability in the fifties. This corporation tended to establish a good reputation for its product reliability in the minds of high income consumer segment in which its products perform more efficiently than their rivals. Most authors, for example, Frank, Massy and Wind, 1972; 4-10; Assael 1973; 190-194; and Lunn, 1978; 343, have indicated that market segmentation concept involves dividing the vast heterogeneous market into homogeneous subsections in a way that yields a competitive advantage to a firm over its rivals. Consequently, a firm designs a unique marketing mix (product, price, promotion and distribution) to satisfy the needs and wants of individuals within each segment.

According to that, Kotler defines market segmentation as follows:

"The subdividing of a market into homogenous subsets of customers where any subset may conceivably be selected as a market target to be reached with a distinct marketing mix (Kotler, 1973; 140)

Similar definitions can also be found in (Lunn, 1978; 343, Foster, 1972; 63-64, and Assael, 1973; 190).

It is obvious that two steps or actions are performed for applying market segmentation concept, which are: a) identifying the market segments, and b) estimating the responses of different segments to marketing mixes, and selecting the most appropriate set of marketing stimuli that yield a high rate of return on resources invested. (Assael, 1973; 190, Dhalla, and Mahatoo 1976; 34 and Oxenfeldt, 1973; 240-243).

To identify the market segment(s), two schools of thought have been developed: a) the behavioural oriented school which focuses on understanding the process of consumer behaviour with little consideration to the marketing needs; and b) the decision-oriented school or normative school that intends to apply the differences of consumer's buying behaviour for improving the efficiency of the firm's marketing programme, instead of giving much attention to find the reasons beyond such differences. (Frank, Massy and Wind, 1972; 11-14).

According to these two schools, two distinctive groups of market segmentation variables have been clarified in the literature as follows:

- a) General Customer Characteristics: Customers are divided into subgroups according to their own broad characteristics such as:
  - 1) Geographical location of customers
  - 2) Demographic description of customers - e.g. age, sex, income, occupation, education, individual life cycle\*, family life cycle\*\*, religion, nationality...etc)
  - 3) Social-psychological e.g. personality, traits, attitudes towards leisure, work and consumption\*\*\*; social class and life style.

\* Soddy and Kidson (1967; 320) broke down the individual life cycle into eleven steps that are: "puberty, completion of full-time education, marriage, birth of first child, birth of youngest child, age at first responsible appointment, menopause, age at first grandchild, retirement, disabling (illness or accident) and death"

\*\* Wells and Gubar (1966) identified nine stages in the family life cycle as follows: Bachelor stage: Young, single people not living at home, newly married couples: Young, no children, full nest I: Youngest child under six, full nest II: Youngest child six or over six, full nest III: Older couples with dependent children, Empty nest I: Older couples, no children living with them, head in the labour force, empty nest II: Older married couples, no children living at home, head retired, Solitary survivor, in labour force, and solitary survivors retired (Frank, Massy and Wind, 1972; 36-37).

\*\*\* For more detail about how market segments are established in terms of this variable, the reader can refer to Wells and Tigert (1971; 27-35)

Because of the methodological techniques applied to these types of variables, discrimination between purchasers and non-purchasers of a given product/brand is not very precise, and thus they lose their importance in strategic marketing planning.

b) Situations or specific event variables: Consumers are grouped according to their differences in consumption and preference of a specific product/brand. This group of market segmentation contains the following variables:

- 1) frequency of usage of a product (e.g. light, medium, heavy uses -Pareto curve\*)
- 2) brand loyalty
- 3) the importance of benefits sought from a given product as perceived by customers.\*\* Such benefits can be demonstrated over the perceptual map on which consumers and products are positioned according to the perceptions of similarities and preferences\*\*\*
- 4) Marketing factors(e.g. customer's sensitivity towards marketing stimuli;(ibid; 26-89)

Dhalla and Mahatoo (1976; 34) remark that this type of market segmentation sacrifices the exploration of customers' behaviour in the marketing strategy development. The same sort of classification of market segmentation variables as the above but under different titles has been referred to by Sissors (1966; 17-21); Foster (1972; 60-69); Kotler (1972; 168-178) and Lunn (1978; 343,375). Some authors, for instance, Foster (1972) and Lunn (1978)

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\* Professor Pareto (1897) found that "the number of incomes over a certain level falls proportionately as the income level rises proportionately", (Allen, 1966; 60)

\*\* For more detail, see the reference concerning Haley, 1968; 30-35

\*\*\* If the reader is interested in the methods of constructing perceptual maps, he can refer to Hooley, 1979; 17-23

called the above two groups by 'consumer segmentation' and 'product segmentation' respectively. However, the latter group does not mean product differentiation that will be explained later on.

Wind (1978; 319-320) considers the selection of any segmentation criteria for dividing the market as a function of the type of decision that management wants to reach.

For setting the price of product, customers' price sensitivity is the appropriate base for market segmentation, while customer behaviour bases are more preferable for investigating the reasons of a firm's consumer loss. In addition, the state of a firm's knowledge towards linking a given segmentation variable and consumer responses to marketing action also plays a major factor in choosing the market segmentation base. Yankelovich (1970; 91-104) studied the application of various segmentation variables, in particular demographic variables, in ten consumer and industrial markets and found that there is no single segmentation variable to differentiate the consumers' needs, attitudes, motivation and usage pattern in all cases. Hence, he advised marketers to consider all market segmentation variables, and then, to select the most suitable ones for their particular market.

According to the limitations of each technique, Frank, Massy and Wind (1972; 86) consider that neither of these sets of variables alone is sufficient for segmenting the market, so that a firm has to apply both groups for getting comprehensive insight of the market. Lunn (1978; 366-367) considers both market segmentation approaches as complementary rather than rivals since they offer solutions for different kinds of marketing problems. Consumer segmentation approach identifies the kind of consumer groups for whom marketers can select the advertising media and copy, while product segmentation approach reveals the position of a given brand against its competitive brands, and thus modifying and/or developing brands can be planned. The same position towards utilising both approaches of market segmentation have been held by Sissors (1966; 21) and Dhalla and Mahatoo (1976; 34-41).

In spite of the advantages of market segmentation in marketing strategy development, Young, et al (1978; 405) specified the market situations in which segmentation strategy becomes unnecessary from the marketing standpoint as follows: a) The small size of the market makes positioning a specific product/brand to be more appropriate in the total market than in a segment of it. Matthew Boulton had reflected such an issue in this statement:

"It would not be worth my while to make for three countries only; but I find it very well worth my while to make for the world"  
(Cadbury, 1978)

b) The sales of product are concentrated in a very few consumers; c) If the brand dominates the market, it will require to draw its appeal in respect of all segments of that market. Moreover, Assael (1973; 192) had suggested that market segmentation does not work in case of undeveloped differences in the consumers' preferences, and demand for a particular product. Even if there are differences in demand, if there is homogeneity of consumers' response towards marketing stimuli, segmentation again may not be applicable.

Market segmentation research involves five major steps which are:

- a) Defining the problem to be solved and selecting the segmentation variable;
- b) Designing the research; c) Collecting the data; d) Analysing the data, and
- e) Interpreting the data and implementing the results (Wind, 1978; 318)\*.

The present study does not concern itself with the detail of these steps, and thus they are mentioned simply for information.

- \* 1) For more detail about how these steps are performed, the reader can refer to the concerning reference (Wind, 1978; 317-337)
- 2) Further detail about the types of segmentation studies in respect of time can be found in this reference Assael (1973; 190-194)
- 3) Description of statistical techniques employed in segmentation studies can be found in Assael, 1973; 256-258; and Lunn, 1978; 343-375

So far, the discussion has been concentrated on the market segmentation concept that needs to be separated from the product differentiation concept. Smith differentiates between the two concepts that are both consistent with the rules of imperfect competition in these words:

"differentiation is concerned with the bending of demand to the will of supply. It is an attempt to shift or to change the slope of the demand curve for the market offering of an individual supplier....segmentation is based upon developments on the demand side of the market and represents a rational and more precise adjustment of product and marketing effort to consumer or user requirements (1972; 32)

Assael (1973; 190) indicated that both concepts attempt to expand demand or create elasticity in the aggregate demand curve, but they differed in the means of achieving such task. Market segmentation relies on product specification designed to meet a well defined consumer's needs, while product differentiation emphasises on heavy advertising.

Kotrba (1972; 89-95) stated that selecting market segmentation or product differentiation for marketing strategy formulation is a function of factors such as: size of the market, consumer attitudes, PLC, type of product, number of competitors and competitors' preference.

Therefore, he suggested the strategy selection chart by which the effect of each factor is plotted on a continuum, and the average score of all those variables is used to determine the selection of strategy.

In relation to this thesis, segmenting the market can be performed in respect of both groups of segmentation variables - general customer characteristics, and situation or specific events, and thus market share

measurement appears in different forms. However, the selection of a particular pattern of market segmentation within which to calculate market share is probably linked to the way of outlining the marketing division's structure which is the concern of the next section.

### 3.4 Market segments and the firm's organisational structure

Besides the strategic and operating decisions that are referred to in the previous chapter, Ansoff adds another type called the 'Administrative decision'. This decision is concerned with two aspects which are: a firm's organisation and acquiring the economic resources. In relation to the former part, Ansoff relates it to the other two classes of decision:

"In this sense, 'structure follows strategy' - product-market characteristics create operating needs, and these, in turn, determine the structure of authority, responsibility, work flow and information flows within the firm" (Ansoff, 1968; 19)

The effect of strategic decisions on a firm's structure has been indicated also by Learned et al (1969; 575) and Andrews (1971; 181). In particular the influence of strategic marketing decisions on the organisation of marketing activities was reflected by Kollat, et al (1972, 391-392), Foster (1972; 272-276) and Foote, (1972, 53). Many studies have been undertaken to investigate this relationship, and two particular studies are considered as examples in this thesis\*. Perhaps, the most significant early attempt to provide an organised, empirically based understanding of this phenomenon was made by Chandler (1962). Comprehensive historical case studies of four large industrial American companies were developed and analysed. Chandler's work resulted in the recognition that the nature of the market, the nature of company resources and entrepreneurial

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\* Many studies concerning this phenomenon are reported by Grinyer, et al (1978)

talents were the major factors influencing the strategy, and in turn the structure of companies studied (ibid; 383-396). Grinyer, et al (1978) studied the strategy/structure relationship in 48 large UK companies operating in service and manufacturing industrial sectors. Again, a highly significant positive association between the two variables is found in both sectors. Moreover, this relationship is independent of any correlation of structure with number of sites, geographic dispersion of sites; size measured by sales, capital employed and number of employees; and diversity of environmental conditions (ibid; 25)

These two studies have illustrated that a firm's structure is a function of the product/market area(s) which the firm seeks to serve as it is one aspect of strategic decision. The effects of defining the business on the shape of a firm's structure varies through the corporate growth stages as stated by Chandler:

"Expansion of volume led to the creation of an administrative office to handle one function in one local area. Growth through geographical dispersion brought the need for a departmental structure and headquarters to administer several local field units. The decision to expand into new types of function called for the building of a central office and a multidepartmental structure, while the developing of new lines of products or continued growth on a national or international scale brought the formation of the multi-divisional structure with a general office to administer the different divisions... the move into new functions will be referred to as a strategy of vertical integration and that of the development of new products as a strategy of diversification" (1962; 14)

Andrews shows how Salter (1968) recognises more clearly the corporate growth concept in the following four stages:

- "Stage 1      proprietorships and small companies with no specialised functions, as exemplified in small companies entirely managed by one man and supplying a single related line of products through a single channel of distribution to a single market.
- Stage 2      a single unit company manufacturing a technologically related line of products, larger in size and specialised

in function (e.g. sales, finance and production) managed by a group of executives.

- Stage 3 a firm with multiple operating units in which geographically decentralised units buy and sell in the market place and to each other through their own channels.
- Stage 4 a multi-product, multi-market firm decentralised in operations and management. Here external market transactions between the divisions and their markets dominate inter-divisional transactions<sup>4</sup>

(Andrews, 1972; 87-88)

In particular the effects of extending a firm's product/market area over the corporate growth stages on the structuring of marketing activities have been illustrated by many authors. For instance, Kotler (1972; 279-286) distinguished between three forms of marketing organisation.

- a) function-oriented marketing organisation in which the marketing division is broken down in terms of performing functions, such as advertising and sales promotion, marketing research, sales and marketing service. This type of structure fits the needs of firms operating in homogeneous product/market area.
- b) product-oriented marketing organisation. It is more convenient to organise the marketing division by type of products produced than the former if a firm enlarges its operation into various product lines.

Kotler differentiated between two product organisation types:

- 1) Consolidated product organisation is utilised by a firm with many or differentiated products which can be handled by resorting to the product management system. As illustrated in the previous chapter, product managers are responsible for planning and co-ordinating the marketing activities of their products without any line authority over the functional managers, and thus the former managers are located along with the latter in the marketing division.

2) Divisionalised product organisation is more practical to a firm with a highly diversified product line. Complete and separate division headed by a general manager is devoted to handle each product line. Marketing functions may be located at the firm headquarters (centralised marketing), or with each product division, depending upon the requirement of the product line itself. In the latter situation, marketing functions except sales should be performed in harmony with the appropriate functional managers at the headquarters office.

c) Market oriented marketing organisation. When different sets of customer needs exist, marketing division is better organised by customer groups that can be classified in terms of buying practice, product performance or geographical location. This type of structure has the same principles of allocating marketing functions and types as the product oriented marketing organisation does.

Kollat et al (1972; 393-398) referred to the above bases of marketing organisation but with two distinctive major heading groups, non divisionalised or functional and divisionalised marketing organisation. The latter form includes regional, customer and product marketing structure. However, a regional marketing structure was conceived to be an intermediate step between functional and other divisionalised organisational forms:

"When a company sells its products over a wide geographical area, it often relies upon regional specialisation at some level within the marketing organisation. Commonly in field sales" (ibid, 395)

Foster (1972; 163-166) gave great attention to the organisation of a sales department which is a part of marketing division. Again, function, region, customer and product groups are the bases of outlining sales structure. In practice, large companies need to apply a combination rather than one form of structural options to organise marketing division. Cravens et al (1976; 340-345) considered this mixed form of structure as a

separate approach from the above three\*. In such cases, the structure of the marketing division is quite complicated, but the diverse sets of product/market areas justify such a mixture. In addition, some authors for instance, Owen (1969; 110-112) and Andrews (1971; 188-189) have applied the above bases for drawing out the whole firm structure rather than marketing division only.

All the above authors concerned with organising the marketing division, have agreed that no uniform structural shape exists for all firms. The selection of any one of these organisational alternatives depends upon some factors that are stated by Kotler:

"Marketing - organisation structure is everywhere shaped by a host of unique factors, such as company objectives, management philosophy of organisation, management's view of marketing, the importance of different tools, the types and numbers of products, and the character of competition" (1972; 279)

The purpose behind breaking down the whole firm into operational units is to achieve its objectives more efficiently (Owen, 1969; 105). Regarding the market share objective, in particular, Chandler (1962; 393) remarked that after a large firm diversifies into multi-product/market sectors, the responsibility for maintaining or expanding its share becomes difficult to identify, and thus the decentralised operating units are established in the latter two stages of corporate growth concept. The above discussion clarifies that the product/market identification within the strategic decisions are the bases for organising the corporate marketing activities. In addition, it is clear that there is a lack of research in the field of strategy/structure relationship at the product level. Therefore, the present study is left to assume that selecting a particular market segment type for measuring the market share at the corporate, marketing division, and product levels is a function of employing this segment type in the organisation structure.

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\* Comparison of the limitations and strengths of each structural form can be found in this reference (Cravens, et al 1976; 342-343)

### 3.5 Conceptualising the market definition at different marketing planning levels.

The second section of this chapter indicated that two approaches have been suggested in the literature for defining the business at the corporate level; they are namely: the scope and concentration or focusing approach. Any dispute about business definition tends to disappear at the divisional (or business) level. Levitt revealed that the broad definition of a business should be broken down into small parts relative to products offered for the purpose of short-range marketing plans (1962; 80-90). In addition, Tilles who supported Levitt's broad business definition at the corporate level, admitted that defining the business in general terms (transportation rather than railroad) is meaningless strategically at the divisional level. Therefore, he referred to the product-market scope backed by product positioning and market segmentation which enables a firm to find out and concentrate on the most significant sector(s) where its competitive advantage can be secured (Tilles, 1971;30-32). Alder also held the same position as Tilles when he stated:

"The vision of a business as a money making operation also helps to secure concentration on key target groups, rather than dissipation of efforts over a broad front"  
(Alder, 1972;68)

By reflecting such issues, both authors became closer to how Foster (1970; 70-77) and Oxenfeldt (1973; 237-248) handled the designation of marketing divisional strategy within the general framework of a company. Foster described the successful marketing division by this statement:

"Management must concentrate their total marketing effort on those parts of the total market which will achieve the targets they have set for themselves" (Foster, 1970; 73)

Smith (1972; 29-35) had suggested some alternatives of marketing strategies based on the differentiation approach, which were amplified by Kotler as follows:

- a) Undifferentiated marketing strategy: In this case a firm tends not to recognise the differences in consumer demand and one product and one marketing program are designed to cover the whole market.
- b) Differentiated marketing strategy: A firm determines to serve several, or all market segments, but each one of them has its own product and/or marketing programme.
- c) Concentrated (or focused) marketing strategy: Instead of serving the whole market, a firm operates in a particular segment of the market. Although a well defined segment enables the firm to build a strong market position, and consequently a high return on investment, a firm's potential growth will be under sever risk (Kotler, 1972;182-187)

So far, market segmentation has been used to support the designation of corporate and divisional strategical plans that cover a broad product/market area. However, it was seen in section three of this chapter that the developments in market segmentation thinking and the development of specific events segmentation variables have been mainly due to the requirements of an efficient planning process at the product/brand level. Furthermore, Sissors (1966; 17) declared that market segmentation could be performed at different product levels-at a generic class of products (e.g. cigarette market) class of products (e.g. menthol cigarette market) and brands's market. Lunn (1978; 345) has confirmed Sissors's attitude but used different titles; respectively they are, different product types, different product variants, and different brands. The discussion in the rest of this section tends to answer two questions: a) How is the market base delineated at different planning levels for the purpose of market share measurement? b) At what level of marketing planning does market segmentation most adequately perform? The resolution of both questions is given through reviewing the pitfalls of product portfolio approach. One of the main criticisms raised against portfolio packages, particularly the BCG matrix,

is the difficulty of delimiting the product/market boundaries for measuring the relative market share. Day stated some questions:

"Should the definition of the product-market be broad (reflecting the generic need) or narrow?

How much market segmentation?

Should the focus be on the total product - market or a portion served by the company?

Which level of geography: Local versus national versus regioncentric markets?"

(Day, 1977; 35)

If these questions are not resolved, the portfolio approach will be practically misleading in the strategic planning and investment allocation decisions

For answering the first question, Day indicated that both definitions can be applied but at different planning levels. Tactical planning performed at the sales and product manager level requires a narrow definition, while strategic planning is concerned with a broader product market area (ibid; 35)

In relation to the second question, Day stated that:

"In general the degree of segmentation for a portfolio analysis should be limited to grouping those buyers that share situational or behavioural characteristics that are strategically relevant" (ibid; 35)

Consequently, the identifiable segments which will result in different cost and price structures, are served by different marketing mixes. Other factors, such as discontinuity in growth rates, share patterns, and distribution pattern can also be used to judge the segmentation process.

Regarding the third question, the PIMS program covered the 'served' market, that is the market segment in which a firm actively competes, for measuring the market share of participants in the project (Buzzell, and Wiersema, 1981; 138). However, Day remarked that the served market is more relevant for the tactical planning, but it is also significant for the

strategic planning. That is particularly right if the served market has a distinct segment boundary. Having said that, Day showed his concern about missing the important growth opportunities in the unserved portion of the market as illustrated by Kotler before. To avoid such risk, Abell suggests that a firm has to apply two market definitions, the total and served markets, at the same time as reflecting by this statement:

"When describing the way an individual business is defined, the market referred to in the term 'product/market scope' is the served market - that portion of the total market which the firm specifically selects to serve. When describing the market arena in which the business competes, the term 'market' usually means the total market"  
(Abell, 1980; 23)

Therefore, Day recommended the use of several business definitions or portfolios with different specifications of product-market segments that are consistent with the requirements of each planning level (ibid; 36). Similar questions and answers to the above ones have also been set out by Abell and Hammond (1979; 184-186). However, Wind and Mahajan (1981; 155-165) who confirm Day's opinion of constructing different portfolios, point out that because of the aggregation of product-market segments at the strategic business level, a portfolio will lead to inadequate strategy formulation. Therefore, they suggest constructing the portfolio within the organisation on the following business definitions:

"Related to the analysis level is the desired extent of market segmentation and product positioning. Portfolio analyses should be undertaken first in every relevant market segment and product position, then at higher levels across the positionings of the various product-market segments, and finally if the company is multinational across countries and modes of entry" (ibid; 159)

Chevalier (1972; 63-72) concerned with the reliability of market share

measurement in different business definitions and indicated that defining the market segment at the product/brand level yields the most reliable results of all when he stated:

"We must look at market segments for products which have similar cost structure and which satisfy the same bundle of consumer needs" (ibid; 66)

The above discussion can be summarised in the following statement by Abell:

"At the corporate level, the issue is usually phrased in terms of overall diversification strategy and the shape of the corporate portfolio; at the business level, the terms product/market strategy and business definition are most often used; and at the product line or individual product/market segment level it is more common to hear the issue debated in terms of segmentation and positioning choices" (1980; 21-22)

In this statement, Abell applies the two approaches of defining the business - scope, and concentration - that are specified in the second section of this chapter. The former is located at the corporate strategic planning level, while the latter approach is suitable for the divisional or business level. In addition, dividing the market into segments is placed at the product planning level. Such identification is adopted in this thesis.

### 3.6 Conceptualising the market definition within the organisational hierarchy

It has been recognised that managers at various levels in the organisation perform their administrative duties within different business horizons. Chandler, for instance, based his study of the strategy-structure relationship on the proposition that four managerial levels exist in large companies. At the bottom of the management hierarchy, the field unit manager is responsible for managing one function (e.g. marketing, manufacturing and so on) within one local area, while the department manager performs similar duty but within a wider regional area. In contrast, the divisional manager is in charge of all functions required to handle a product line

(or industry). At the top of the management hierarchy, managers of the general office deal with several product lines or one line over a wide and different geographic market.

Kotler (1972; 362-386) conceived the differences in business definition within a marketing organisation that consists of three managerial levels - corporate, product group and product management levels. Kotler applied Chandler's delineation of business at general office and divisional levels for the former two marketing management levels respectively, while he delimited the product manager's vision of a business within his product boundaries. However, as Kotler adopted a product management system in his classification, managers at different levels in the marketing organisation do not differ in terms of function performed as illustrated by Chandler.

Luck (1972; 86-91) reflected similar attitudes to Kotler in respect of product group, and product level management, while Hozier (1979; 6-9) is concerned about those two levels as well as corporate level management. Again, BCG portfolio matrix did not pay attention to the variation of product/market boundaries for measuring the relative market share of a product within the management hierarchy. The criticism raised against the portfolio approach in the previous section can also be applied here. To make it operational, Boyd and Headen (1978; 337-346) imbedded the portfolio concept in the organisation hierarchy, and thus different managers could use it but with various product/market entries:

"We therefore need a strategic planning system which will direct level managers to prepare a rather complete picture of their options tied to specific product and market segments... Higher level managers could then look across as well as within the firm's investment units and proceed with the resource allocation process" (ibid; 340)

The present study confirms firmly the variation of product/market boundaries for measuring a product's share level within the organisational hierarchy, and considers it as the base of its investigation.

### 3.7 The market sales figure for measuring the market share level.

As mentioned in Chapter Two, the main parameter upon which the market share formula is based, is simply the product sales figure in a given market. This figure can take several forms, depending upon how a firm states the sales objectives or quotas of its operating units. Davis and Webster (1968; 260) had cited some alternatives to express sales objectives, such as dollar or unit sales, number of sales calls, number of orders from new accounts, and display carried out. However, Stanton and Buskirk (1974; 626) considered that dollar or unit figures are the most widely accepted among companies, since they are easy to understand and measure. That, in turn, has made many authors use both figures for assessing the market share of a product (for example, Kollat, et al, 1972; 490, Catry and Chevalier, 1974; 29, Wind and Mahajan, 1981; 161).

Besides these two figures, some data source agencies such as Mintel (1981; 12) and Market Research, Great Britain (1976; 1), use sales volume (tons, gallons... etc) in reporting the market share of companies or products, particularly food and drink categories.

For the purpose of finding out the correlation between market share and profitability, James (1972; 248) pointed out that market share should be estimated in terms of dollar as well as in unit sales, but he did not give any reasons justifying his belief. Some authors have tended to identify the situations in which it is more appropriate to calculate the market share by any one of the above sales figures. For instance, Catry and Chevalier (1974; 29), Stern (1964; 44) and Stanton and Buskirk (1974; 627) indicated that physical sales figure (volume and unit) is more practical

when there are differences in the prices charged by companies for a given product. For products with a high unit price such as electric appliances, sales objective is better to be presented in terms of unit sales figure (Stanton and Buskirk; 1974; 627). Meanwhile, a monetary sales figure can incorporate the size discrepancies among the competitive products, and so it is more reliable than a physical figure for measuring the market share (Catry and Chevalier, 1974; 29). In addition, a monetary sales figure is more practical for estimating a firm's market share than<sup>a</sup> physical one when this firm and its competitors diversify into different types of products. For this reason, the PIMS study applied the monetary sales figure in the calculation of market share (Buzzell and Wiersema, 1981; 137). However, with an increasing inflation rate in the economy,<sup>a</sup> monetary sales figure does not enable managers to compare<sup>a</sup> product's market share or profitability in different time periods. To make the sales value constant over time, this figure must be adjusted by an appropriate price index, and thus real volume change rather than price change is reflected. (Kotler, 1972; 431; Day 1975; 13 and Barlev and Lampert, 1977; 23). Within the context of profit and market share relationship, Boyd and Headen (1978; 342) suggested that unadjusted sales value can be used for the short term analysis, while constant monetary or physical sales figures are used for the long term.

The position of the present study towards this issue is that a firm has to select the sales figure(s) that fits its product characteristics, and prices in the market, but it makes sense to avoid the misinterpretation of market share measurement imposed by the inflation rate in the economy.

### 3.8 The effects of internal/external environmental factors on business definition

It has been recognised that defining a company's business is also influenced by the internal/external environmental factors inside and outside the company. Levitt (1962; 12) perceived the influence of these factors on a company's business definition when he stated:

"The answer to the question of where your company is and should be going depends on a lot of things. It depends on where the company has been, what its competence and strengths are, what the competition is doing, and what is happening out there in society and in the consumer's enigmatic mind"

Foster (1972; 86-88) identified four questions that have to be answered before involving any business as follows:

- a) What are the company's skills, manufacturing capability, and resources relative to the competitors.
- b) What is the trend of change in current and potential customer's demand, and how do competitors meet such change in demand.
- c) What value do customers have towards the price, quality and reliability and service of a company's products as well as competitors.
- d) What change do we expect to occur in the external environment, economical, social and political factors.

Bloom and Kotler (1975, 72) indicated that a firm enjoying high share, a large experience in manufacturing and marketing and an easy access to the financial resources, can extend its operation over a wide business area. Meanwhile, Hamermesh, et al (1978; 98) found that for financial reasons, small share firms cannot enlarge the range of products offered and the types of customers served, and thus concentrate on small market segments in which their strength is clear; and large competitors are often unwilling to involve themselves in such small segments.

While the above authors apply the relative measurement (market share) to assess the firm's position within its defined business, other authors use absolute measurements such as money values, plant capacity, manpower etc., for the same purpose.

for instance, Porter, 1979; 138 and Grinyer, et al 1978; 10. Since these resources are obsolete over time, the continuation of a firm in serving the market depends upon its earning in terms of ROI that are used to replace these resources (Ansoff, 1968; 17).

Levitt (1962; 11-38) indicated that the rapid changes in the external environment such as new product development, war, social and political upheaval, people's values and tastes, their ways of living, working conditions and family living habits have made companies apply a wide business definition. Day (1977; 33) illustrated that such a broad definition is only practical when a firm tends to reduce the vulnerability of factors existing in the external environment, such as social, political, economical, technological and supply continuity. In contrast, Sonnechen (1976; 73) had different views of defining the business for marketing planning and pointed out that because of inflation, high interest rates and recession in the economy, many large American companies apply a concentration rather than a diversification strategy.

Since the internal resources are more controllable than the external environmental conditions, the main factor determining the market definition for increasing share level is the external conditions (Henry, 1972; 103).

Porter (1979; 137-145) considers the competitive forces within an industry are the major factors determining a firm's choice of concentration or diversification strategy. If a firm is operating in any industry with weak barriers to entry, high bargaining power of suppliers and customers, large numbers of substitute products and intensive competition among the existing companies, profitability will suffer and in turn, it will be more appropriate to diversify a firm's resources into other industries than to concentrate on this particular industry.

Some authors, for instance, Doyle (1976; 1-2) and Abell (1980, 16-17) have tried to illustrate the combined effect of internal/external environmental factors on market definition over the stages of product life cycle. At the introduction stage, a firm tends to build market position by creating a new market among innovative customers with high income. In the growth stage, building market share takes place within a larger market base as the imitators or conventional customers follow the leaders. When the market becomes saturated, sales growth depends upon population growth and replacement rate of product by the satisfied customers who tried the product before. In addition, a firm tries to find out a new use (market segmentation) for its product to defend the market share. Returning to the customers who have first tried the product, takes place in the decline stage of product life cycle. Such illustration reveals that concentrating on specific market segment occurs at the first and last stages of product life cycle, while appealing for a wide market appears in the other two stages of growth and maturity.

In relation to this thesis, the effect of internal/external environmental factors on defining the market through the stages of product life cycle is accepted, but it will not be investigated in the empirical study.

## CHAPTER FOUR

### DEVELOPING THE HYPOTHESES

#### 4.1 Introduction

Having accepted the market share objective as an indicator of a firm's competitive performance relative to its overall competitors operating in the same product market, it is therefore essential to focus the attention on the main objective of this thesis, that is the application of market share objective in directing and monitoring the marketing activities for a product. It has been pointed out that using this objective requires a definition of the market upon which management functions in strategy formulation and control are performed. Such decisions cannot be undertaken without considering the external/internal environmental factors outside and inside a business unit.

#### 4.2 Developing the Model of Study

It was pointed out in chapter two of this thesis that the ultimate objective of any company is to gain a high level of profitability measured by RoI in the long-term. However, setting the profitability level should reflect the interests of the firm's owners, participants, suppliers and consumers surrounding it, and thus optimization rather than maximisation of RoI is adopted by firms (Argenti, 1969;27). The other objectives, including market share, whether they are at the company level or downwards in the organisation hierarchy should be consistent with the major objective (Foster, 1972; 67-72). On the other hand, a direct positive relationship between market share and profitability objective has been proved and described mathematically:

"Businesses with market shares above 40% earn an average RoI of 30% or three times that of those with share under 10%"  
(Buzzell, et al, 1975; 98)

The pattern of this relationship has encouraged businessmen, in particular marketing people, to be increasingly dependent on market share objectives for the strategy formulation (Majaro, 1977; 43). In contrast, the achievement of market share level of a product is a function of how well marketing strategy is designed relevant to the competitors' strategies (Bell, et al 1975; 136). Three different marketing plans are specified within the marketing organisation, at the corporate, division, and departmental level (Kotler, 1972; 364). These plans are varied according to the time-

span, coverage of functions and objectives. A strategic plan occurring at the corporate level, endures for a longer time span and influences broader functions of an organisation than the tactical plan (e.g. department, or subsidiary marketing plan). However, they are interrelated and affect each other (Ackoff, 1970; 4-5). The manager responsible for developing and deciding these plans is identified according to his position in the organisation. It is common in all types of companies to observe that the senior marketing manager is in charge of deciding the marketing plan at the corporate level; marketing managers developing the plan at the division level; and product/brand managers designing and executing the plan at the department level (product), (Kotler, 1972; 364). The importance of the market share objective is a function of the management level concerned with marketing planning, senior managers may tend to rely on profitability more than market share objective, while junior managers give more weight to the latter (Chevalier, and Catry 1974; 45-46). The consistency between strategic and tactical marketing planning will be achieved if companies adopt the management by objective concept by which all managerial levels are involved in setting the objectives (Humble 1969; 36). Once the objectives of different marketing planning levels are agreed on, the actions of each concerned manager should be directed to achieving the specified targets (Tilles, 1971; 42-43).

The importance of market share objective relevant to profitability for formulating the marketing strategic and tactical plannings has been related to a product's position in its product life cycle which indicates the competition, growth rate and state of technology of the market. In a market with high growth rate, low competition, and absence of substitute products, a higher share objective has a positive influence on profitability, which, in turn, becomes the focus of marketing planning. The trend of the above factors is reversed in the latter two stages, particularly at the decline stage, the relationship between share level and profitability objective is reversed too. Hence, market share loses its significance gradually to other objectives such as cash flow, and short-term profit (Catry and Chevalier, 1974; 31).

It is hypothesised that there is interaction between the market share level captured by a firm and its adopting an innovation programme. A small share firm intends to be innovative rather than imitative in using technology for breaking down the barriers built by a large share firm. Meanwhile, the opposite is the case for the latter, since it has nothing to lose (Rosenberg, 1976; 109).

Adopting such objectives over the product life cycle is also dependent on other components of the external environment. The consumer's acceptance for the product determines to what extent the share level can be increased in the market (Drucker, 1964; 5). The government agencies exercise their official power to prevent increasing share level over a certain limit that will lessen the competition within the product's market (Fogg, 1974; 38).

On the other hand, the internal environmental factors also influence gaining the market share objective relevant to profitability. A firm with good access to the economic resources can afford to expand its plant and market, and thus, economies of scale in production and marketing will be achieved while the opposite is the case for a firm with limited resources (Bloom, and Kotler, 1972; 65). Boston Consulting Group has proposed that firms enjoying a strong experience in manufacturing and marketing a given product should pursue market share maximisation instead of current profit maximisation (Boston Consulting Group, 1972; 30).

In addition, a highly qualified manager employed by a high share firm, has some influence over obtaining higher share level since he is capable of formulating unique competitive strategies (Buzzell, et al, 1975; 98). It has been agreed that a high share firm can stimulate larger proportions of retailers and customers and attract them to its products (bandwagon effect) than a low share firm (Catry and Chevalier, 1974; 30).

However, the economic resources in men, money, plant and machines, become obsolete in time. The replacement of these resources is related to the level of profitability generating from operations (Ansoff, 1968; 17). On the other hand, the effect of the external environmental factors such as

economic, social, governmental factors is related to the share level already held by a given firm in that market.

"The company that acquires a very high market share exposes itself to a number of risks that its smaller competitors do not encounter. Competitors, consumers, and governmental authorities are more likely to take certain action against high share companies than against small-share ones" (Bloom, and Kotler, 1975; 63).

However, such firms can reduce the risk associated with high share level and influence the external environment by applying appropriate strategies, through public relations, competitive pacification, government dependence and legislation, and social responsiveness (ibid; 70).

In relation to the type of industry in which a firm is involved, market share objective is more important in infrequently purchased products than in the frequently purchased ones. The higher prices and risk involved in purchasing the former are the major factors beyond the significant of share objective (Buzzell, et al 1975; 102). In addition, the importance of market share objective is related to the consumer's bargaining power within an industry. Fragmented customers do not have the power to reduce prices of products, which the concentrated customers can do, thus, share objective relevant to profitability is more significant to the former industry than to the latter one (ibid;102).

To monitor a firm's performance towards its market share objective, defining the market base in which it pursues this objective is required. However, how wide the market definition should be, is a function of the manager's position in the organisation hierarchy. The senior marketing manager who is responsible for a large number of product/markets, applies a wider definition of the market. Meanwhile, managers downwards in the hierarchy measure market share level of products on narrower market bases as their responsibilities diminished to limited product/market items (Boyd & Headen, 1978; 340). In addition defining the market base is related to the level of marketing planning, occurring

within the organisation structure. At the corporate level, the market base is extended to the whole industry (s) in which the firm is, or will be, operating in the future. At the marketing division level, the term market is most often identified by a specific product line within the industry. Meanwhile, dividing the product's markets into homogeneous small segments becomes vital for a successful product marketing plan (Abell, 1980; 21-22). However, the selection of a particular type of market segment for calculating the share level of product is a function of what segment type is employed for organising marketing activities; Chandler (1962) hypothesised a positive relationship between strategy and structure.

Whatever, definition of the market is used, expressing the market sales figure by a physical, or monetary unit for measuring the share level is a function of the product type, and differences of prices charged by the sellers (Chevalier, and Catry 1974; 44).

In addition, the sales volume figure offers more accurate results for decision making when a market is characterised by a high inflation rate (Boyd & Headen, 1978; 342). Concentrating or diversifying the firm's efforts in one or various industries depends upon the external environmental factors, in particular the competitive conditions within an industry. The threat of new entrants, substitute products, bargaining power of supplier and customers and the industry rivalry are the major factors that should be considered in deciding the diversification strategy (Porter, 1979; 137-145). On the other hand, the firm's internal resources also affect the business definition. It is suggested that a firm with large economic resources measured by its market share level can engage in various industries (Bloom, and Kotler, 1975; 72). Meanwhile, a low share firm has to concentrate on small sections of an industry for securing its survival (Hamermesh, et al 1978; 98).

The breadth of an industry definition influences a firm's profitability level achieved in the future

"For a given level of investment, a firm with a complete product line can usually realise the advantage of higher total revenues and/or lower operating costs than competing independent firms" (Ansoff, 1968; 75)

In turn, such objectives and consequently strategies will determine the firm's business (ibid; 101).

The above discussion is illustrated in a model that is presented in the introduction Chapter of this thesis (Figure 1.1)

The model was built on the assumption that defining the business is the starting point of strategy formulation (Abell, 1980; 4). Then, within the constraints of internal/external environmental factors existing inside and outside the firm, strategic objectives are developed:

"Objectives cannot be set in a vacuum. They must be related to the available resources, the characteristics of competitors, industry dynamics and the market opportunity" (Tilles, 1971; 43)

The main objective of building this model was to establish a conceptual foundation for applying the market share objective in marketing strategic and tactical planning and to gain better understanding of the interaction of the variables. It is important to emphasise at this point that the researcher intended to cover the major variables related to the problem of this study as explicitly as possible. It has been argued that even the logically consistent relationships between the variables do not reflect the 'real life situation', unless they are supported by empirical data (Marx, 1972; 32-49). Therefore, the model was designed according to the following factors:

- a) Theoretical
- b) Logical
- c) Operational

Regarding the theoretical factor, market share objective was first linked to the ultimate organisation financial objectives. Then, it was related to its application in the long range marketing plannings at various levels of the

organisation hierarchy. Because of the descriptive nature of the study, the literature in other related fields such as business definition, organisation theory and economic theory were considered to support the proposed model. However, the theoretical model may not be valid unless it is logically verified. Hence, the theoretical basis is related to the logical pattern for designing the above model. For instance, having been concerned with the market share objective of a product, it becomes logical to take into consideration the influences of the product's location in its life cycle as one of the major factors determining the dimensions of marketing strategy. To make this plan effective, it is logical to consider the firms internal/external environmental factors as they represent the constraints on achieving high share level. The existence of various definitions of the market base for measuring a product's share level makes it logical to identify the market in relation to the levels of marketing plannings, and managers within the organisation hierarchy. The function of designing the model was to establish a conceptual framework for all the variables that have been viewed in connection with the theoretical and logical bases. At the same time, the model is used to direct the empirical investigation which is necessary to verify the relationship between the variables.

'Successful prediction of empirical data is commonly held to be the key requirement for the acceptance of the validity of an hypothesis' (ibid; 38)

Therefore, most attention has been given to developing an operational model revealing the practical experience in the field of marketing research. In spite of the scarcity of data, it has become possible to test the validity of the study hypotheses.

#### 4.3 Generating the Study hypotheses

Following the objectives and limitations of the study identified in the introductory chapter of this thesis and the major variables influencing the management of a product presented in the model, the following hypotheses have been generated:

- a) While a senior marketing manager applies market share objective to decide the overall marketing strategy, a product/brand manager is in charge of designing and implementing the product marketing plan for achieving this objective.
- b) The importance of market share objective for a product/brand decreases through the consequent stages of its life cycle.
- c) Measuring the market share level of a product by a market segment is a function of the segmentation criteria used in organising the marketing division.
- d) For designing the strategic marketing plan, a wider definition of the market is required than for developing the tactical plan for a product/brand.
- e) When assessing the market share level of a product, the senior marketing manager defines the related competitive market more widely than the junior marketing manager.
- f) The higher the inflation rate in the market for a product, the greater the use of physical sales figures than of monetary figure to measure the market share.

It is obvious that the above hypotheses do not cover all the variables of the model such as management philosophy, and adoption of innovative programs. These two factors have been included there to give a comprehensive view for the model, but they will not be included in the empirical investigation. Meanwhile, it is worthwhile to emphasise that the effects of internal/external environmental factors on strategy formulation are referred to implicitly rather than explicitly within the context of the product life cycle. Hence, they will not be studied in depth in the empirical phase of this study. This specifically is true to the government legislation and quality of managers item of the external/internal environmental factor respectively. On the other hand, these hypotheses are established in relation

to the major variables or to some of their elements in the model, it is therefore, useful to present a complete list of the major variables and sub variables that will be used to analyse the results of this study.

(Table 4.1)

Major variables	Sub variables
(1) Market share objective	(a) The importance of market share objective for strategy formulation (b) Ability to increase market share level of product
(2) Major company financial objectives	(a) Long-term profitability (RoI) (b) Short-term profit (c) Cash flow
(3) Marketing planning	(a) Levels of marketing strategies within an organisation - Corporate, divisional, product (b) Market share strategies
(4) Organising marketing division	(a) The views of different marketing managers towards market share objective (b) Managers responsibility in setting and implementing marketing strategies (c) The structure of marketing division (d) Manager's vision of the market
(5) Market definition	(a) The scope of a product's market (b) Market sales figure (c) Market segmentation criteria (d) Type of industry
(6) Product life cycle	(a) The position of product (b) Internal characteristics of a firm - economies of scale, experience curve, bandwagon effects, and quality of managers (c) External environmental factors - competitive, growth rate, technology and customer/supplier power

**Table 4.1** The major variables and sub-variables of the model.

## CHAPTER FIVE

### STUDY METHODOLOGY

### 5.1 Introduction

The hypotheses that were developed in the preceding chapter had been derived from the beliefs and experiences of marketing writers, managers and data published by the professional agencies. In the succeeding sections, the method of collecting the data in the field upon which these hypotheses are tested will be described.

### 5.2 Alternative Methods

Various methods for testing the study hypotheses which involve multiple aspects, exist and require careful evaluation. Mainly, these methods are categorized under two approaches - model building and empirical data collection. Kotler, for instance, referred to the application of model building approach to get the optimum efficiency of the study variable (e.g. theorem of market share determination that have been discussed in Chapter Two) (Kotler, 1971; 92). Also, alternative organizational models were proposed for designing and controlling marketing plans, and exposing the role of various marketing executives in these activities (ibid; 615-639). The developments in market segmentation research, especially after adopting the psycho-sociological variables for understanding consumer behaviour in a given market, have made the quantitative techniques more vital than ever (Lunn, 1978; 352-356). Furthermore, identifying the most relevant criteria of segmentation, and pinpointing the target segment upon whom maximum marketing effort is devoted, make a tremendous shift towards a model building approach. Such mathematical models may seem suitable for tackling pure individual aspects of this study, such as market share objective, and market segmentation. However, as this study is mainly concerned with (a) identifying the application of the former factor into designing and controlling the marketing activities of a firm rather than finding the optimum plan for achieving the maximum market share level; (b) investigating the

application of market segmentation to outline the structure of marketing division, and to define the bases of measuring market share level rather than seeking the best criteria, this prohibits using this approach. Other reasons for avoiding this approach can be cited, such as the combination of interrelated variables included in the study, makes building one comprehensive model not only difficult but impossible. Even if the model is built, it has to be tested against available published data which may not necessarily show comparative measurement of product/brand shares within different market definitions. Nevertheless, the theoretical model developed in the previous chapter exposes the relationship between two or more of the study variables, from which the hypotheses emerged.

Another alternative to test the study hypotheses is the empirical data collection approach of which two methods seem to be attractive:

- (a) Developing case studies of a large number of companies which are specialised in producing fast moving or durable consumer products imposed by the study definition.

This method will enable the researcher to collect intensive information from managers who have some sort of responsibility over planning and controlling marketing activities at various levels in the organization. A wide range of subjects can be discussed with those managers whose responses may vary, and thus cross-checking becomes feasible. The success of such a method depends upon the researcher's ability to conduct a sufficiently large sample, consequently, allowing him to draw general conclusions regarding the whole population. However, besides the fact that the researcher's resources in time and money are limited, there is a great difficulty of

obtaining potential co-operation from a large number of companies, and thus this method of data collection becomes impractical.

- (b) Postal questionnaire survey designed to gather data about the experiences and beliefs of large numbers of marketing managers.

In addition to saving time and money, this method offers greater efficiency in the data-gathering process, and power to compare the responses of various managers being subject to the same stimuli. The main factor required for obtaining a successful postal survey is to achieve a high response rate. In order to encourage the managers to complete the questionnaire, a simple form is designed as will be described later in this chapter. Another deficiency of the questionnaire is its subjectivity, thus some attitude questions exploring the objectivity of informants, are included in the form.

### Conclusion

From the foregoing discussion, each method of the empirical data collection approach has its strengths and weaknesses. However, the postal questionnaire approach seems to be more feasible than the case studies. Therefore, the former approach is the basis of the survey by which the study hypotheses will be tested. In addition, verifying the study results will be performed by interviewing some selected respondents to the postal questionnaire at a later stage.

### 5.3 The Study Methodology

After deciding on the method of data collection, the study methodology will follow the following phases:

### 5.3.1 Phase 1 Literature Survey

Based on the scope of the study subject, objectives and the limitations outlined in the preceding chapter, the literature search has been undertaken in three major areas:

- (a) marketing plans,
- (b) market definition, and
- (c) organization's structure

Consequently, to gain a better understanding of the subject, the search was extended to other fields, such as corporate planning economic theory, innovation and growth, management philosophy, and scientific investigation. All these topics enabled the researcher to:

- (a) Get a better understanding of the application of the market share objectives into marketing plannings;
- (b) Develop wider definition of the concept of monitoring the performance of a product/brand in a given market;
- (c) Identify a theoretical base for developing the study model;
- (d) Explore relationships in the literature with the study hypotheses on which construction of further stages of this study can be carried out.

### 5.3.2. Phase 2 The questionnaire survey

Following the primary literature search, the gathering of data required to test the hypotheses took place. Certain preliminary steps had to be taken which included: defining the study population, drafting the questionnaire, testing and revising the questionnaire if necessary. After gathering the data, other activities - editing, coding and tabulating - would be undertaken in preparation for the analysis. Each of these stages is described separately and according to their sequence in the rest of this chapter.

### 5.3.2.1 Defining the study population

The population of this study was limited by the definitions outlined at the beginning of this text. For instance, fast moving or durable consumer products are only considered in this study; therefore service and industrial products should be ignored when defining the population. Restricting the study in the UK market will involve both British and foreign made products as are launched in this market. The study is limited to the production section only, and thus any firms involved in the distribution section will be excluded from the sample base. Furthermore, as the study is mainly concentrated on those producers who are concerned about their market shares, the population should be defined with respect to this factor in mind. Covering all fast moving and durable consumer products being launched in the UK market serves the first two restrictions above, but the last one will not be fulfilled as there is no indication whether the producers are interested in the market share or not. As it has been found that a strong positive relationship exists between market share objectives and the advertising expenditures, this study applies this finding to meet this restriction. Thompson Company reports annually the top six hundred consumer products and services ranked by their advertising expenditure in the UK market. Therefore, the report for the year 1978-79 was considered to represent the study population as it fulfilled all above restrictions successfully.

To implement the four restrictions mentioned above, the six hundred brands were sorted into groups according to their types. The MEAL report for the year 1978 was useful to carry out this job by which nineteen groups of products were established, Table 1, Appendix I. According to the first constraint, service sectors, such as "charity", "education and societies", "entertainment", "financial", "government, development corporation and service recruitment" and "holiday, travel and transport"\*

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\* All these and other titles of the product classes were obtained from MEAL report

were rejected from the list. Moreover "institutional and industrial" group was also dropped, as this type of product had not been covered by the study definitions. However, one product of this group was included in the sample base as it could be categorized under both consumer and industrial products. "Retail and mail order" group stands for the distribution sector, and thus it should be eliminated completely based on the third constraint. However, only two brands were included in this category. The remaining twelve classes were carefully screened again to ensure that they met the study restrictions. All the product/brands of 'drinks', 'household stores', "pharmaceutical", "tobacco", "toiletries and cosmetics" and "wearing apparel" classes were included completely, while only one brand in each of "food", "household appliances" and "motor" were eliminated. Moreover, seven brands of "leisure equipment" represented service sector and thirteen brands (two brands in "leisure equipment", three brands in "household equipment" and eight brands in "publishing" classes) are offered to the consumer under membership conditions, and thus they were excluded from the list. The remaining four hundred and fifteen brands composed the study sample base, as they all met its restrictions.

Identifying the producers of products/brands was the next step to define the population. Some brands were carrying the producing company's name and so were already identified prior to searching. In other cases, the majority, the Advertisers Annual Report for the year 1978 was quite sufficient to carry out this duty. However, the brands of publishing section were not covered, and the publishers became known by referring to BRAD (1978). Some products were impossible to trace under these references, and the only practical solution to finding the producer's identity was to check the products on the shelves in the supermarkets, or to refer to their advertisements in the newspapers and magazines.

The next step was to state the nationality of those companies by referring to "who owns whom" (1979). Two types of companies, British and foreign were established. The distinction between the entity type of a company (e.g. parent, and subsidiary) was not important for British companies as the study would not need this in the comparative analysis. The opposite was true for the foreign companies, since the researcher attempted to include only those subsidiaries operating in the UK market.

Along with the above references and methods, two other references, "Kompass" (1979) and "Telephone directory" were applied to find out the addresses of companies. Sending the questionnaires to the right addresses was rated very important to achieve high response rate, therefore, they were edited according to the current issues of the above references, and they were corrected as might be needed.

### 5. 3 2.2 The pilot study

Following the stage of defining the study population, the draft questionnaire was developed and tested in a pilot study with respect to its design and validity. Therefore, the total list of the population was under mechanical random sampling process, and twenty members (each twentieth number of the 415 brands) were selected. By chance the samples that were selected, covered a wide range of product types included in the study. As illustrated in the second chapter, product/brand manager was the most interested in applying market share objective of all managers. The researcher decided to mail the questionnaire to him, consequently a specific person in the organization would be expected to receive it. Because there is no uniform definition of a brand manager's position in all organizations, managers at various levels in the management hierarchy were expected to co-operate in this survey.

Furthermore, in order to enhance the response rate, an attempt was considered to send the questionnaire to the names of those managers instead of solely to their titles. However, this attempt faced substantial problems as it was impossible to find the names in the concerned references. Meanwhile, to test the response rate to the format sheet, two sizes were employed, simply, ten questionnaires were typed on A4 paper, and the other half on A5 paper.

A questionnaire, covering letter and first class pre-paid envelope has been sent to each addressee on Thursday morning by first class mail (Appendix I). The mailed envelopes carried the name and address of the institution in which the research had been undertaken. After three weeks passed, a reminder, another copy of the questionnaire, and a first class pre-paid envelope was despatched to each of the samples who had not yet replied. A similar period was allowed after this second mailing, after which the response list was closed. The number of respondents was nine (five and four of them responded by A5 and A4 papers respectively), and one person refused to participate for security reasons. The responses were reviewed and a few amendments were made to the questionnaire prior to the main survey. Mainly, an open ended category was added to the alternatives of question 4 - Section (A) as one respondent gave his comment on the question. The third question of Section(C) which was open-ended was substituted by two separate similar ones attached to each of the two multiple choice questions. Additionally, a fourth attitude statement concerned with defining a market by different management levels, was added to the attitudinal section. Other questions were efficient to contain and discriminate the respondents' choices and thoughts, and thus they were kept in the same form and order for further usage (Appendix I).

It was understood from the pilot study that the expected response rate of the main survey would be improved by ensuring the following:

- (a) To achieve a sufficient number of respondents leading to an accurate general conclusion, the total population should be involved
- (b) Due to the minor influence to questionnaire sheet size it was agreed that the form should be typed on A5 paper.
- (c) The same mailing enclosures and procedures should be applied

#### 5.3.2.3 Description of the questionnaire

The questionnaire survey strategy suggested that the form should be simple and as brief as possible to stimulate the respondents, thus it was structured in three parts:

Part I	Background data
Part II	The Survey questions
Part III	Respondents personal data

The phrase "confidential questionnaire" appeared at the beginning and the end, along with an appreciation phrase "Thank you very much" for the respondent's effort and co-operation.

#### Part I Background data

This part was designed to provide information about the producing companies which could be used to check the nationality and type of industry defined by this study. This part contained the following four questions:

- (a) Name of your organization
- (b) UK head office address
- (c) Type of industry
- (d) Which brands/products are you responsible for

Question 1 identified the producing organizations of brands, which could serve two purposes:

- (a) To discover the national origin of the organization
- (b) Based on the first purpose, the brands could be classified into two subgroups - British and foreign made - for the purpose of the analysis

Question 2 required a respondent to clarify his organization's head office address in the UK. That could be used to find out whether the producing company was linked with other British companies.

Question 3 required a respondent to state the type of industry in which his organization was involved. That might consequently reveal a product/brand type. Two functions were served by this question:

- (a) To check the study limitations over the samples
- (b) To classify products into subgroups which could be related to the data obtained in Part II.

Question 4 could serve the same functions as the previous one if industry types are identified by using the quoted references. In fact, this question is more suitable for performing these functions because, defining the organization's type of industry by the respondents themselves may therefore enlarge the range of industries. This becomes especially true in very large organizations where diversification in various industries is more feasible. Additionally this question could provide information about the number of brands handled by a respondent, and thus two groups of responses would be established for the purpose of analysis. The first group included those managers who would respond to the questionnaire, and thus, any

duplication in responses would be removed, while the second one covered the products/brands.

## Part II The Survey questions

This part contained five related sections which were the substance of the questionnaire: (a) marketing objectives; (b) market definition; (c) assessing market shares; (d) management responsibility; and (e) opinion section.

### Section (a) Marketing objectives

This section had five questions concerned with defining the objectives at various marketing planning levels and the influence of product life cycle on them.

Question 1 required a respondent to explain on what objective a company's overall marketing strategy was set. Mailing the questionnaire to brand managers whose position might be in the bottom level of management hierarchy, might not involve in deciding this type of objective, but that did not prevent them having an idea about it. Therefore, the word "How" which has a qualitative nature, was used in this question. Moreover, the question was introduced by the underlining phrase "At the company level" for turning the respondent's attention to this planning level. Although, in theory and practice, planning at this level had usually been decided upon a very limited number of objectives, the researcher was interested to find out the most preferable one of all. Therefore, the verb "is" was placed after "how", and the underlining adjective "main" was located before "objective". However, in case a respondent would be willing to indicate more than one objective, no restriction was given on the number of selections. Four alternatives from which a respondent can choose by ticking the relevant supplying boxes were stated in the question besides an open-ended one designated "other". Although all these options are relevant for

strategical planning, the first two are more closely related to marketing than financial objectives, while the opposite is true for the others.

"At the company level. How is the main objective of your company's overall marketing strategy defined?"

- (a) To increase market share
- (b) To increase sales volume
- (c) To increase company profit
- (d) To achieve a target rate of return on capital employed
- (e) Other (please state)

Question 2 exposes the means applied by marketing division to achieve the company's overall marketing objectives. In other words, to explain the marketing department's objectives used for acquiring a company's overall marketing strategy objective. In order that a respondent could differentiate between this question and the previous one, the question was headed by the underlining location "At the marketing division level". Again, the same argument about some respondent's abilities to reply, could be raised since the theories devoted this task to a senior or middle marketing manager. However, knowing these objectives which were essential for performing a junior manager's duty was quite enough to answer this question. Meanwhile, the question was phrased in a manner which revealed the application of multiple objectives for this planning level. Thus, the word "objective" was stated in plural rather than in singular form, and no limitation on the number of choices was put down. In relation to the hypotheses, this question investigated the adoption of market share objective for planning and controlling marketing activities by a senior manager. The options of the preceding question were offered here, with one exception, which was changing alternative (c) from "increase company profit" to "increase gross profit".

"At the marketing division level. How does the marketing division define its own objectives within the marketing strategy?"

- (a) To increase market share
- (b) To increase sales volume
- (c) To increase gross profit
- (d) To achieve a target rate of return on capital employed
- (e) Other (please state)

Question 3 served the purpose of finding out what kind of objective was defined at the product/brand marketing plan. The underlining phrase "At the product/brand level" was placed at the beginning of this question. The word "what" was used here instead of "How" since the researcher assumed that the respondents were responsible for designing this plan and able to count many objectives. Moreover the question had a qualitative nature reflected by using the verb "is" and the word "main" before "objective". The parenthesizing letter "(s)" was added to the word "plan" for covering all product plans if there were more than one. The options of question (2) were repeated without any change.

It is obvious from the preceding discussion that all three questions have the same alternatives as it is intended to:

- (a) test the superiority of market share objectives over others at various planning levels,
- (b) find out the application of market and/or financial objectives in these plans

"At the product/brand level. What is the main objective of your product/brand marketing plan(s)?"

- (a) To increase market share
- (b) To increase sales volume
- (c) To increase gross profit
- (d) To achieve a target rate of return on capital employed
- (e) Other (please state)

Question 4 This question required a respondent to assess the position of his brand in its product life cycle which might also help him to start thinking of the effect of the cycle on defining marketing objectives. The data obtained by this question could be connected with the data of other questions concerned with the cycle. The statement "please write brand names against appropriate stages" was added to the question for identifying and distinguishing the brands if there were more than one. The four stages of product life cycle were provided with spaces as well as an open-ended category designated "other"

"For each of the major brands you control where would you place it in its product life cycle? Please write brand names against appropriate stages".

- (a) Introduction stage
- (b) Growth stage
- (c) Mature stage
- (d) Decline stage
- (e) Other (please state)

Question 5a intended to provide data about changing the measurement of the product/brand marketing plan through the sequence stages of product life cycle. The word "dimensions" referred to the levels of an objective set for the plan which was the core of this question. The hypotheses of this study indicated that the importance of market share objective might decline toward the end of the cycle. Since the purpose of the question was of a qualitative rather than quantitative nature, three options "yes", "no" and "don't know" were offered with relevant boxes.

"Do the dimensions in which you set your product/brand marketing plans vary through the different stages of the product life cycle?"

Question 5b This question was a subsidiary to the preceding one, in which the respondents who answered "yes" could give their remarks. The question was designed to supply descriptive data about how the product life cycle applied in relation to the product/brand marketing plan. To what extent the responses could be useful in the analysis, depended upon the quality rather than the quantity of the provided data.

"If yes, in what way?"

Section (b) Market definition

This section was designed to provide data about defining the market(s) that were used to measure the market share level of the product/brand. Three questions constitute this section as follows:

Question 1 resolved to define a respondent's operational region of his product/brand; moreover, it could be used to control study restrictions over the geographical market. Respondents could reply to this question by ticking the relevant box drawn against each alternative. Since foreign made brands which were marketed in the UK and other markets, might be managed by the UK managers, no restriction on the number of selected alternatives was specified

"Are you responsible for managing your product/brand?"

- (a) In international market only
- (b) In the UK domestic market only
- (c) Both UK and international markets
- (d) Other (please state)

To meet the study limitations, the respondents who ticked alternatives (b) and (c), would be included in the analysis.

Question 2 This question required respondents to give the types of market segmentation variables applied to divide the whole market of a brand. The question had a quantitative nature which was presented by the word "what" as the researcher did not aim to evaluate the superiority of any segment type over others. Meanwhile, five alternatives discussed already in Chapter 3 of this thesis, were supplied with one box to each. In addition to that, an open-ended option denoted "other" was given for further comments.

"If you divide the market for your product/brand into sub-markets, what form of market segmentation do you normally use?"

- (a) By type of product
- (b) By type of technology
- (c) By region
- (d) By type of user
- (e) By type of end use
- (f) Other (please state)

Question 3a and the succeeding one were related to the organization of marketing divisions. It was implied in the study hypotheses that applying specific type(s) of market segmentation to outline the structure of marketing division, will determine the bases of measuring market share. The purpose of this question was to check whether that market segmentation was employed for the purpose of organization or not. Therefore, two options were available to the respondents. They were "yes" and "no".

"Is your marketing organization specifically geared to those market segments or not?"

Question 3b is used to quantify as well as qualify the methods of utilizing market segments in the organization of marketing division. Thus, the question could be answered by those respondents, who ticked "yes" on the previous question. The construction of this question was similar to the one of Section (a).

"If yes, in what ways"?

### Section (c) Assessing market share

An introduction to this section was placed before listing the questions which stressed the application of different methods for measuring a brand market share level. That would help the respondents to think about it before starting to answer the questions. The purpose of this section was:

- (a) To find out the sales figures used to calculate the market shares
- (b) To specify the reasons for adopting these figures.

Question 1 The purpose of this question was to identify the types of sales figures applied to estimate market share. Relating this to the study hypotheses, it was understood that various sales figures were used under different economic and competitive conditions of a market (e.g. sales volume is more practical than sales value when there is high differences in prices charged by the sellers of a given product). Therefore, the question was designed in such a way which revealed the application of multiple numbers of sales figures. Three options already discussed in Chapter 3 were provided to the respondents along with the category "other".

"What figures do you use for your own sales when calculating market shares?"

- (a) Sales value .
- (b) Sales volume (tons, gallons).
- (c) Unit sales .
- (d) Other (please state).

Question 2 complemented the previous one. The function of this question was to justify using the selected sales figure. The usefulness of the obtained data in the analysis would depend upon its quality.

"Is there a special reason for using this figure?"

Question 3 required a respondent to select the market sales figures used to assess the market share level of a brand. Both questions 3 and 4 of this section differed to the preceding two questions in respect of the type of data sought. The latter ones were concerned with the form of product/brand sales, while the former ones were related to the scope of the market sales figure. For this reason, the expression "figure of market sales" was placed after the word "what" in this question. Relating to the study hypotheses, it was implied that different market sales figures can be defined by managers, according to their positions and responsibilities. In more specific words, according to the managing director who is in the top position of management hierarchy, may define the market wider than those below him. Also, a manager who is responsible for designing a company's overall marketing strategy rather than for a product marketing plan, may apply a broad definition of the market, and vice versa. The data obtained in this question, could be connected to the responses of the last three questions of section (e). The options already discussed in other chapters of this text, were put in according to the diminishing sequence of the market definition. In addition, a provision for specifying other definitions was provided with enough space. Although no restriction on the number of choices was specified, the question was designed to indicate the selection of one alternative only.

"What figure of market sales do you use as a base for your percentage?"

- (a) Total industry sales
- (b) Sales by all competing brands
- (c) Sales of selected competing brands
- (d) Sales in a limited market segment
- (e) Other figures (please specify)

Question 4 supplemented the previous one, by identifying the reasons for selecting a particular figure; therefore, both of them should be related together in the analysis. The qualitative nature which is the main attribution of this question, justified stating it in a singular form.

"Is there a special reason for calculating market share on this market figure?"

#### Section (d) Management responsibility

Defining a manager's responsibility for setting and performing marketing plans, was the purpose of this section. Three questions were designed as follows:

Question 1 required a respondent to identify the manager who is authorized to approve marketing strategy in its final shape. Management theorists have agreed that setting marketing strategy is the duty of senior marketing managers, but they disagreed about the participation of other managers (Chapter 2). To emphasise the aim of this question, the verb "decide" was disposed after "who". The study hypotheses suggested that a senior marketing manager should approve the objectives as well as the marketing strategy, while a junior manager is responsible to execute this plan. Therefore, the data obtained by this question should be interpreted with the data of the succeeding ones of this section.

The options represented three top marketing managers' positions in the company from which a respondent could select by ticking one or more of the available boxes. Also a provision for further comments was provided.

"Who decides the overall marketing strategy?"

- (a) Managing director
- (b) Marketing director
- (c) Marketing manager
- (d) Others (please specify)

Question 2 The purpose of this question was to find out the manager who makes out a product/brand marketing plan. The question was phrased in a way to reveal two points:

- (a) A planner may or may not have the authority to approve the plan
- (b) It is most likely that there is only one manager forming the plan with/without any consultation.

Nevertheless, in case that there is a joint responsibility, no limit on the number of choices was set. Four alternatives were stated and ordered according to their position in the marketing division besides the fifth alternative designated "other".

"Who develops the product/brand marketing plan?"

- (a) Marketing director
- (b) Marketing manager
- (c) Sales manager
- (d) Brand manager
- (e) Others (please specify)

Question 3 was one of the various questions concerned with identifying the responsibility of managers at different levels in the organization.

The second and third questions of this section intended to determine the level of manager

who designed and performed the product/brand marketing plan respectively. It was understood in the study hypotheses that a brand manager, in particular, is responsible for performing the product plan. However, two types of managers (namely, "Brand manager", and "Functional manager") were presented to the respondents. To avoid any misinterpretation of the latter, few examples were given before this alternative. In addition to that, a respondent could mention other managers in the open-ended category "others".

"Who is responsible for implementing the product/  
brand marketing plan?"

From the previous discussion, a uniform pattern of presenting the multiple choice questions was adopted throughout the questionnaire, so that the selection process could be performed easily and efficiently by a respondent, as well as data processing by the researcher.

#### Section (e) Opinion section

This section was designed to expose the respondent's attitudes toward the major issues of this study. The respondents were asked to indicate their attitudes by ticking one of the five items which composed the scale. These items were in order from "strongly agree" to "strongly disagree" through "uncertain". The reasons beyond specifying five items instead of other numbers were (a) they are easy to grasp by respondents, and (b) it has been proved that it is the most accurate in discriminating the responses of all (Williams, 1978; 110). Moreover, Likert scaling technique was applied for the following reasons:

- (a) The study intends to rank the respondent's attitudes rather than measuring them

- (b) To classify and compare the respondents according to their agreement and disagreement about the statements .
- (c) Each statement can be analysed individually since each one represents a rating scale (Moser and Kalton, 1971, 362).
- (d) It has been proved that this technique can discriminate the respondents efficiently

Statement 1a To supplement Section (a) of the questionnaire, this statement investigated the respondent's attitude about the contribution of marketing division objectives and market share in particular, towards the companies financial performance. Theoretically, a very strong positive relationship between market share and profitability objectives of a company was expected, and thus this contribution was described by the word "biggest".

"Marketing's biggest contribution to a successful organization's financial performance is to meet its market share objective".

Statement 1b Both statements (a) and (b) were designed to provide data about the application of market segmentation for developing marketing plans. Therefore, the results of both statements should be connected and checked against questions 3 and 4 of Section (c). To differentiate this statement from the forthcoming one, "for overall marketing strategy" was placed and underlined at the beginning. Theoretically, this type of planning needs a wide segment of a market to be defined.

"For overall marketing strategy. Dividing the market into submarkets is essential for designing the marketing strategy"

Statement 1c As was discussed in Chapter 3 a narrow segment of a market was suggested for designing the product/brand marketing plan. The researcher intends to test the accuracy of that by exploring the respondent's attitudes. To avoid the effect of changing the words on the respondent, this statement was phrased in the same words as the previous one. However, the phrase "for a product/brand marketing plan" was put at the beginning of the statement.

"For a product/brand marketing plan. Dividing the market into submarkets is essential for designing the product/brand marketing plan".

Statement 1d served to provide a specific answer to the subject of widening the definition of a market by a manager who occupies a higher position in the management hierarchy, for assessing a product/brand share level of that market. The data provided by this statement could be used to check the accuracy of the responses to questions 3 and 4 of Section (c).

"The higher a manager is in his organization, the wider will be his definition of the market, for assessing market share".

Question 2 In this question, a respondent was requested to show his position on the attitude scale on which he reveals the importance of market share objective at the stages of product life cycle. Five items were supplied as in the first question, but, they differed in labelling. Instead of using "strongly agree" to "strongly disagree"; this scale was set from "very important" to "not very important" with additional "don't know" categories. This arrangement was applied in order that the respondents would clarify their opinion and avoid using the latter one. Each of the four stages of product life cycle (introduction, growth, mature, and decline stages) was presented against five boxes, in order that a respondent

could select the preferred item of the scale for each stage.

The question could be related to questions 4 and 5 of Section (a) when interpreting the results of the analysis.

"Please tick on the following scale: How important do you think the market share objectives are for a product at different stages in its product life cycle?"

Question 3 To capture the respondent's suggestions, if there are any, about the importance of market share objectives in relation to study factors, an open-ended question was provided with appropriate space. The usefulness of the data provided depends upon its quality and its relation to the study subject.

"If you have other comments about the importance of market share, please use this space".

c) Part III Respondents personal information

This part was designed to provide information about the respondents. Questions 1 and 2 would supply their names and job titles. The latter one is of special importance in the analysis stage as it indicates the respondents managerial levels in the company, and thus it can be used to classify the responses to the survey questions (Part II).

The respondents' telephone numbers (Q3) will enable the researcher to make a verbal contact whenever it is needed in the further stages of the study.

Question 4 provides the date of completing the questionnaire which may be applied in analysing reply times of respondents in the survey and to draw a conclusion about the non response.

#### 5.3.2.4 The Main Survey

After setting the questionnaire in its final form, a large scale survey was undertaken. The same principles of mailing the questionnaire employed in the pilot study were applied besides practising more control on mailing and receiving processes. Therefore, each brand was identified by its producing company and industry type on a separate card, in addition to stating the dates of mailing the questionnaire and receiving them back. This action enabled the researcher to check the response rate achieved at any point of time during the survey interval, and identify those managers who did not reply after three weeks time from the date of the first mailing. At that point of time, reminding those members was undertaken on the same principles mentioned before, and another three weeks period was given to collect any further responses. However, the last week of that period was very unproductive as few responses were received. The researcher was left with an impression that no second reminder would be useful, and thus the list was finally closed.

### 5.3.2.5 Data processing and analysis

To make the data ready for analysis, the researcher undertook editing, coding and the preparation of punched cards as described in the following points:

a) **Editing:** The purpose of this action was to check the completeness of information given to each question, and to discover whether the informants had missed answering any question. Actually, some questions had been missed by some informants, especially the open-ended ones. However, no attempt was made to deduce the answers from other questions to avoid misinterpreting the responses.

b) **Coding:** Following the editing stage, the researcher started to develop the coding scheme. For multiple choice questions, each of them would have a code representing the number of choices made by a respondent (that was not applied to yes/no questions) as well as "1" or "0" code to each alternative. If a respondent had ticked an option, "1" would be assigned to that option and "0" if he had not. By doing so, each of these questions would have a number of codes equal to the number of its options plus one. Meanwhile, relating to the open-ended and opinion questions, 1...to n codes were specified according to the type of response stated to each of them.

After that, the numbers were coded on fortran coding sheet, in which the positions of the numbers reflect the sequence of questions as they appeared on the form. Moreover, a specific number was given to each respondent for controlling the process of the next stage.

c) **Tabulating:** This stage involved transferring the codes from the coding sheets to the punched cards to be ready for computer processing. The "SPSS" package was mainly applied, specifically sub program "CROSS TAB", to tabulate the data. The program and input data were processed by the computer of the London Business School through Brunel

University. The coding scheme, stated in Stage b, made it necessary to tabulate each option of any multiple choice questions in a separate table as well as other questions. Therefore, each question was distinguished by a given alphabetic title, while the options were titled by numbers as will be seen in the next chapter. Because the latter tables need to be considered within the context of each question, and the data, in many cases, were scattered in small frequencies, testing the significance would be performed manually.

As the data generated by this study was nominal or ordinal types, non-parametric statistics were mainly applied (Siegal, 1956 and Harris 1978; 264-309). Namely the significance test between strata was performed by applying chi-square formula for two samples or more (Siegal, 1956, 104-111).

$$X^2 = \sum_{i=1}^r \sum_{j=1}^k \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where  $O_{ij}$  = "Observed number of cases categorized in ith row of jth column"

$E_{ij}$  = "Number of cases expected under  $H_0$  to be categorized in ith row of jth column"  
 $\sum_{i=1}^r \sum_{j=1}^k$  = "Directs one to sum over all (r) rows and all (k) column, i. e. to sum over all cells"

To test the significance of the aggregate response, chi-square formula for one sample would be applied instead of the above one (ibid, 42-47).

In many cases, it was found that the frequencies of expected values was less than 5, and thus the columns and rows of the tables need to be combined without losing their meaning. Even so, the frequencies in some attitudinal questions remained less than 5 which prevented the use of employing this test. Therefore, Kolmogorv-Smirnov significance test (two-tailed) would be considered, as it is concerned with the agreement

between two sets of cumulated samples values (ibid, 127-136).

A scaling technique was also used to indicate the strength of agreement and disagreement of subgroups of respondents about attitude statements. Each item on the continuum was given a weight, and the weighted average score of each subgroup would be compared with the total average (Williams, 1978; 116). Moreover, assigning these weights would enable the researcher to perform 'student's t test' between a pair of subgroups, based on the assumption that the weight will change the characteristic of data from ordinal to a measured one (Harris, 1978; 298).

In all these significance tests, 5% or 1% confidence levels were set to accept or reject the study hypotheses.

It may be argued that the basis of these statistical techniques rests entirely on selecting random samples from the population, which are not available in this study. Therefore, any conclusion inferred by those techniques is dubious (Moser and Kalton, 1971; 81, Kish, 1965; 17-22 and Siegel, 1956; 18-21). Moreover, as these authors indicate the problems of handling non response in a census survey, which is the case in this study, have not been resolved.

Therefore, the researcher is led to assume that, the samples who responded to the survey questionnaire, are random samples representing a finite population. This assumption solves the random selection of the samples, but it does not consider the relatively high non response of the survey. Consequently, any conclusion drawn by this study, may not be accurate as it is inferred only from the respondents in the population. Kish, for example, suggested that the "finite population correction" factor  $(1 - \frac{n}{N})$  should be considered in calculating the standard error to avoid over-estimating the results of simple random samples (Kish, 1965; 43-45). On the other hand, arranging the respondents in strata gives more accurate results than simple random samples

as stratified random sampling reduces the value of standard error. Therefore, the design effect factor, 'deff', which is "the ratio of the standard error of stratified random sampling to the standard error of simple random sampling" should be calculated for this purpose (ibid, 86-90). The researcher faced two factors operating against each other. To find out the effects of both on the results of this study, six questions were selected arbitrarily, Tables 2 and 3, Appendix I. The three parts of Table 2 are concerned with estimating the population parameter in terms of an attribute, while the three parts of Table 3 do the same in terms of a variable. Regarding the f.p.c. the standard error of each possible subgroup: was calculated by using the following formulas:

$$s.e (p_i) = \sqrt{\frac{p_i q_i}{n_i}}$$

$$s.e (\bar{X}_i) = \sqrt{\frac{\sum_{i=1}^{n_i} (x_i - \bar{x}_i)^2}{n_i}}$$

with f.p.c.

$$s.e (p_i) = \sqrt{\frac{p_i q_i}{n_i} \left(1 - \frac{n_i}{N_i}\right)^*}$$

(\*) the way of inserting the f.p.c. in the s.e (p) formula is also applied to the s.e ( $\bar{X}$ ).

Although, the standard error is lower in sample random sampling with f.p.c. than without it, the significant result remained on the same level in both cases. For finding the effect of 'deff', the standard error of the total was calculated on simple random sampling and proportionate stratified sampling by using the following formulas:

$$s.e (p_{srs}) = \sqrt{\frac{pq}{n-1}}$$

$$s.e (\bar{X}_{srs}) = \sqrt{\frac{\sum (X_i - \bar{X})^2}{n - 1}}$$

$$s.e (P_{prop}) = \sqrt{\frac{\sum n_i P_i (1 - P_i)}{n^2}}$$

$$s.e (\bar{X}_{prop}) = \sqrt{\frac{\sum n_i s_i^2}{n^2}} \quad \text{where } s_i^2 = \frac{\sum_{i=1}^{n_i} (X_i - \bar{X}_i)^2}{n_i} \dots\dots$$

n strata

The latter two formulas are applied after assuming that the number of samples in each responded subgroup is proportionate to their number in the population. It is obvious that proportionate stratified sampling yields more precise results than srs for the same number of samples, particularly in attribute questions. Moreover, each factor (f.p.c. and deff) does conceal the effect of each other, and thus, they will not be applied in further analysis.

In addition, to check the effects of the study high non-response rate on the accuracy of the sample estimate, The Jackknife Statistical technique is adopted and applied (Bissell and Ferguson, 1975; 79-100).

To proceed with this test, 20 randomly selected subgroups of 85 managers are obtained from the 110 managers responding to the question 1a of Section E - 'Marketing's biggest contribution to a successful organisation's financial performance is to meet its market share objective'. The mean, variance for the whole sample are first calculated and then, these procedures are continued after removing one subgroup in each time,\* Table 5.1. By plotting the estimated means on the diagram, the distribution of the subgroups means around the mean of the whole sample becomes close to the shape of normal

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\* For more detail about these mathematical procedures, the reader can refer to the reference concerning

distribution curve, Figure 5.1 . In addition, the figure indicates the precision of the collecting data. The variance ( $Sd^2$ ) of the subgroups means from the whole sample mean is calculated and compared with the whole sample variance ( $Sd^2$ ) and it becomes clear that the study results conform to the expected distribution of these statistics. Therefore, Jackknife technique proves that the high non-response rate of this study does not have any effect on the precision of the adopted sampling method.

Figure 5.1 The distribution of the estimated means of twenty sample subgroups.

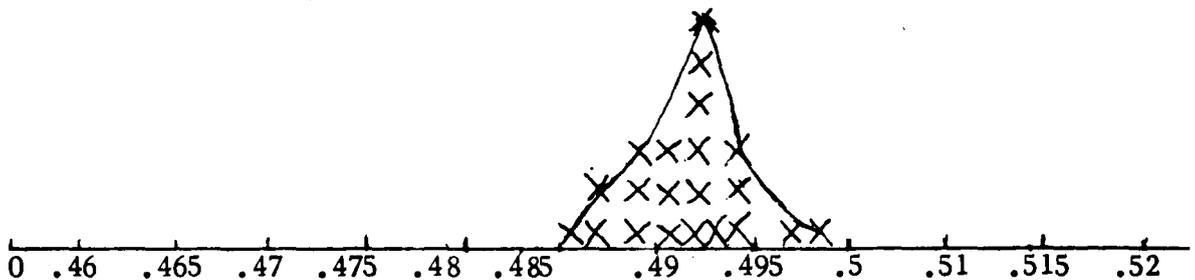


Table 5.1    Estimating the effects of the high non-response rate on the precision of the study results

No of samples subgroups i	Strongly Disagree -2	Disagree -1	Uncertain 0	Agree +1	Strongly Agree +2	$\bar{x}_i$
1	14	41	6	19	5	-.4929
2	16	42	4	19	4	-.4885
3	19	34	7	21	4	-.4910
4	17	35	7	21	5	-.4941
5	19	36	6	20	4	-.4892
6	18	35	7	21	4	-.4916
7	18	37	7	21	2	-.4879
8	17	39	7	18	4	-.4886
9	15	36	7	22	5	-.4966
10	16	34	6	24	5	-.4978
11	20	35	7	19	4	-.4879
12	17	37	6	20	5	-.4923
13	16	38	7	22	2	-.4904
14	19	40	3	20	3	-.4855
15	15	38	7	21	4	-.4935
16	12	39	7	22	5	-.4985
17	17	38	4	22	4	-.4916
18	16	38	6	22	3	-.4916
19	18	34	6	23	4	-.4935
20	16	37	7	22	3	-.4923
Total	335	743	124	419	79	-.4918

 $Sd^2$ 

1.4158

 $Sd'^2$ 

.001054

### 5.3.3 Phase 3 The interviews

After analysing the data collected in the questionnaire survey, small number of the respondents would be interviewed for discussing the study findings with them. Ten marketing managers representing different industries were selected and approached with a view to arranging the visits. A covering letter that specifies the purpose of the visit, expected time of each visit, a permission to perform the interview, and a summary of the questionnaire survey results were sent to each one of them by first class mail on Thursday morning.(Appendix I). Because no one of the managers showed his refusal to co-operate, the researcher tended to reduce the number of the visited managers to six. Then, the time of the visits were arranged with the managers' secretaries. During the visits, a tape recorder was used for collecting the information. That reduced note taking and ensured accuracy of recording. All managers declared their attitudes about the study findings as will be mentioned in chapter eight of this thesis.

## CHAPTER SIX

### SUMMARY OF THE RESULTS

## 6.1 Introduction

The analysis follows the pattern of the questionnaire, and therefore, this chapter has six major sections as follows:

<u>The second section</u>	<u>Developing the sample profiles</u>
<u>The third section</u>	<u>Presenting the data of marketing objectives</u>
<u>The fourth section</u>	<u>Data related to market definition</u>
<u>The fifth section</u>	<u>Identifying the market base for measuring the market share</u>
<u>The sixth section</u>	<u>Identifying manager's responsibility</u>
<u>The seventh section</u>	<u>Discovering respondent's attitudes</u>

The five sections of Part II of the questionnaire represent the major part of this Chapter, while the other two sections are used to develop sample profiles.

6.2 Developing the sample profiles

As stated in Chapter 5 of this text, the total sample involved in this study is four hundred and fifteen products/brands, ranked by their advertising expenditure for the year 1978-1979. The pilot study covered (20) products, and the remaining products were considered in the main survey. Table 6.1 shows the response rate achieved in both tests.

Table 6.1The response rate achieved by this study

	Number of products/brands	%
Number of successful responses to the questionnaire	161	38.8
Number of those who declined to complete it	71	17.1
Number of those who did not reply	183	44.1
Total	415	100.0

The reasons specified for declining to complete the questionnaire were: "confidential information", quoted by (32) people; "Company policy", cited by (20) people; "Too busy", quoted by (9) people; "Information is not available", specified by (5) people; "Too much detailed information", stated by one person, and two people indicated that "information can be granted by interview as the company business is so complex". No further action has been taken to identify the reasons for the one hundred and eighty three people not participating in the survey.

Regarding the respondents, three dimensions are used to classify them: nationality of products/brands, respondent's management levels, and industry type of products.

The responses relating to the 161 products/brands were made of 111 managers, so that two sets of analyses can be performed. In the first set, described subsequently as Brands Grouping A, the results are based on analysis over the 161 brands covered in the completed questionnaires. In the second set,

described as Manager Grouping B, the results are based on analysis over the 111 managers who completed the questionnaire. Normally both sets of analysis have been carried out, as can be seen in the following sections.

#### 6.2.1 Part I Question 1 Nationality of products/brands

All respondents answered the question "Name of your organisation", by which the nationality of products/brands would consequently be identified. Approximately (65%) of the responded brands are British made, that is slightly higher than the original percentage of the sample base, while the opposite is correct for the foreign made brands. Table 6.2

Table 6.2

#### Classification of samples by the nationality profile

	No. of brands in the population	No. of responding samples	
		Brands grouping A	Managers Grouping B
British made brands	258 (62.2%)	105 (65.2%)	72 (64.9%)
Foreign made brands	157 (37.8%)	56 (34.8%)	39 (35.1%)
Total	415 100%	161 100%	111 100%

Both types of companies co-operated willingly in the survey, but this distribution of respondents might lead to some slight bias in favour of the British.

### 6.2.2 Question 4 Product/Brand industry profile

The question "Which brand/product are you responsible for" reveals the industry types of brands as mentioned in the previous chapter. Table 6.3 shows the survey population and respondents within each type where some of them are grouped together based on their nature and to ensure that each cell will have five or more points for the purpose of accurate analysis (Siegel, 1956; 46 - Everitt, 1977; 40). However, food industry subgroup (i) responded highly to the questionnaire, 44.7% and 37% in response groupings A and B respectively, while household products and motor subgroups (iii and v) did the opposite, 9.9% and 11.2% in group A.

Therefore, any general conclusions drawn may be weighted towards conditions in the food industry. Tabulation of industry profile of brands by their nationality indicates disproportionately high numbers of respondents who are responsible for British brands in the food and drink, tobacco industrial sectors (i and ii), while foreign brands show disproportionately high numbers of respondents in the household products and Motor industry (iii), Table 6.4. Therefore, a highly significant relation between industry type and nationality of brand is found in both response types. However the generally small number in each segment hardly warrant the application of complex weighting techniques and all analyses have been carried out on unweighted samples

### 6.2.3 Part III Question 2 Respondent's management level profile

The last study profile is the respondents' management level developed from the answers of the question "Your job title". Although the questionnaire had been addressed to the brand manager, fourteen manager types responded back to the survey. Those types are classified into four categories representing different levels in the management hierarchy, Table 6.5. The lines separated between them, are drawn according to what be

Table 6.3

Classification of brands by industry characteristics

	Survey population	%	Brands grouping A	%	Managers grouping B	%
Food	152	36.6	72	44.7	41	37.0
Total of subgroup (i)	152	36.6	72	44.7	41	37.0
Drink	44	10.6	26	16.2	20	18.0
Tobacco	21	5.0	6	3.7	5	4.5
Total of subgroup (ii)	65	15.6	32	19.9	25	22.5
Household stores	36	8.7	7	4.4	6	5.4
Household appliances	21	5.0	3	1.9	3	2.7
Household equipment	12	2.9	2	1.2	2	1.8
Leisure equipment	14	3.4	1	0.6	1	0.9
Publishing	9	2.2	2	1.2	2	1.8
Retail and mail order	2	0.5	1	0.6	1	0.9
Institutional and Industrial	1	0.2	-	-	-	-
Wearing apparel	10	2.4	-	-	-	-
Total of subgroup (iii)	105	25.3	16	9.9	15	13.5
Pharmaceutical	16	3.9	11	6.8	9	8.1
Toiletries and Cosmetics	33	8.0	12	7.5	9	8.1
Total of subgroup (iv)	49	11.9	23	14.3	18	16.2
Motor	44	10.6	18	11.2	12	10.8
Total of subgroup (v)	44	10.6	18	11.2	12	10.8
Total	415	100.0	161	100.0	111	100.0

Table 6.4 Industry type of brand by its nationality

## Brands grouping A

		Population	Response	Expected response	O - E
Food	British	109	55	42.3*	12.7
	Foreign	43	18	16.7	1.3
(i)					
Drink and tobacco	British	49	25	19.0	6.0
	Foreign	16	7	6.2	0.8
(ii)					
Household products	British	62	10		
	Foreign	43	6		
Motor	British	15	2		
	Foreign	29	16		
Household products and Motor	British	77	12	29.9	-17.9
	Foreign	72	22	27.9	- 5.9
(iii)					
Pharmaceutical	British	23	13	8.9	4.1
	Foreign	26	9	10.1	-1.1
(iv)					
Total	British	258	105	(100.1)	
	Foreign	157	56	(60.9)	
Grand total		415	161		

$$X^2 = 19.885$$

$$D.f = 7$$

significant at .01 probability level

\* This number is obtained as follows:

$$\frac{161}{415} = 38.8\%$$

$$38.8\% \times 109 = 42.3$$

The same procedures are applied for the others

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Table 6.4 (contd)

## Managers grouping B

	British response	Foreign response	Total
Food (i)	31 (26.6)	10 (14.4)	41
Drink and tobacco (ii)	20 (16.2)	5 (8.8)	25
Household products Motor (iii)	9 2 11 (17.5)	6 10 16 (9.5)	27
Pharmaceutical (iv)	10 (11.7)	8 (6.3)	18
Total	72	39	111

$$X^2 = 12.171$$

$$D.f = 3$$

significant at .01 probability level

Table 6.5

Classification of respondents by management levels

	Brands grouping A	%	Managers grouping B	%
Brand manager	38	23.75	30	27.27
Assistant brand/product manager	7	4.38	4	3.64
Product manager	14	8.75	11	10.00
Subgroup (i) Low management level	59	36.88	45	40.91
Marketing manager	29	18.12	21	19.09
Senior product manager	10	6.25	5	4.54
Product group manager	19	11.87	11	10.00
Advertising manager	4	2.50	2	1.82
Senior brand manager	3	1.88	3	2.73
Subgroup (ii) Middle management level	65	40.62	42	38.18
Marketing director	12	7.50	9	8.18
General manager	2	1.25	1	0.91
Division product/area manager	6	3.75	4	3.64
Subgroup (iii) High management level	20	12.50	14	12.73
Executive Secretary	1	0.62	1	0.90
Market researcher	8	5.00	4	3.64
Marketing planning manager	7	4.38	4	3.64
Subgroup (iv) Researcher	16	10.00	9	8.18
Total (1)	160	100.00	110	100.00

- (1) As one respondent did not state his job title, the total number of response under this profile is less than others having been considered in the preceding sections so far by one point.

thought relevant for the majority of cases. Nevertheless, the highest response rate is achieved in the low and middle management levels (i and ii subgroups), while other levels did the reverse in both response groupings A and B. Since the study population has been defined by products rather than managers, no further information about the distribution of population over the managerial levels is available. Consequently, no comparison between the response rate of each subgroup and the population can be made. However, it is clear that the sample is concentrated in the first two subgroups (i, ii) which is to be expected since questionnaires are addressed to managers at this level.

Tabulation of management profiles of respondents by nationality of brands shows disproportionately high numbers of Low and Middle Management level respondents handling British Brands (i and ii) while Foreign brands show disproportionately high levels of high management and research respondents (iii, iv), Table 6.6. These differences in response may indicate the concern about market share objectives by different levels of managers in both types of nationality, and lead to a highly significant result.

On the other hand classifying respondents by management levels was examined in relation to the industry type of brand, Table 6.7. A non significant result was found, because, slight variances between subgroups' responses occurred. Low and Middle management levels (i, ii) responded higher than high management level and researcher subgroup (iii) in the food industry, and the opposite was found for the combined types of industries, household products and motor\*

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\* From this point and onwards, pooling the variables which have some expected values with less than five mentions is performed after ensuring the similarity of their nature.

Table 6.6

Respondent's management level related to nationality of brand

## Brands grouping A

	British	Foreign	Total
Low management level (i)	46 (38.4)	13 (20.6)	59
Middle management level (ii)	52 (42.2)	13 (22.8)	65
High management level (iii)	3 (13.0)	17 (7.0)	20
Researcher (iv)	3 (10.4)	13 (5.6)	16
Total	104	56	160

$X^2 = 47.818$       D. f = 2      Significant at .01 probability level

## Managers grouping B

	British	Foreign	Total
Low management level (i)	33 (29.1)	12 (15.9)	45
Middle management level (ii)	32 (27.1)	10 (14.9)	42
High management level Researcher (iii)	3 3 6 (14.8)	11 6 17 (8.2)	23
Total	71	39	110

$X^2 = 18.653$       D. f = 2      Significant at .01 probability level

Table 6.7

Respondent's management level by industry type of brand

Brands grouping A

	Food	Drink, tobacco	Household products	Motor	Pharma- ceutical	Total
Low management level (i)	30 (26.9)	12 (11.4)	7 8 (12.6)	1	9 (8.1)	59
Middle management level (ii)	32 (29.7)	11 (12.6)	7 13 (13.8)	6	9 (8.9)	65
High management level Researcher (iii)	5 6 11 (16.4)	6 2 8 (7.0)	2 0 13 (7.6)	4 7	3 1 4 (5.0)	36
Total	73	31	34		22	160

$X^2 = 8.554$

D.f = 6

$p > .05$

Managers grouping B

	Food	Drink, tobacco	Household products	Motor	Pharma- ceutical	Total
Low management level (i)	20 (16.8)	10 (9.8)	6	1 15 (18.4)	8	45
Middle management level (ii)	16 (15.6)	8 (9.2)	7	5 18 (17.2)	6	42
High management level Researcher (iii)	3 2 5 (8.6)	4 2 6 (5.0)	2 0	2 4 12 (9.4)	3 1	23
Total	41	24		45		110

$X^2 = 3.872$

D.f = 4

$p > .05$

### 6.3 Presenting the data of marketing objectives

Question 1 "At the company level. How is the main objective of your company's overall marketing strategy defined?"

One manager handling two brands refused to answer this question, Table 6.8. The question allowed for multiple responses, and thus the more logical basis for analysis is by total selection of alternatives rather than by total respondents\* (Boyd, et al, 1977; 418-420). "To increase company profit" had the highest score of all ( 67) mentions, while "to achieve a target rate of return on capital employed" received a moderate score of 37, Part B of the Table. However, the other two objectives "to increase market share" and "to increase sales volume" had the lowest equal scores of 18 mentions to each, and thus they were pooled together. Few respondents suggested other options, such as "create awareness", "product image", and "profit sales ratio" under alternative 5 which would be dropped from the  $X^2$  analysis because of its marginal statistical significance. Within the types of manager, the researcher class had a low score that could not enable this level to stand alone, so that it was pooled with high management level. Nevertheless, profit objective seems to have the priority over others, especially alternatives 1 and 2, in low and high management levels, while the opposite is the case for middle management and research respondents. These differences appear to a greater extent in brands grouping A than managers grouping B, as the duplication of response occurs in the former one. Thus, a highly significant association between strata is clear in brand grouping A only, and the same result based on the total response is found in group B.

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\* All multiple choice questions discussed in this chapter will be manipulated on this basis.

Table 6.8

## Respondent's management level, by company's overall marketing objectives

## Brands grouping A

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	5 (9.2)	5 (8.9)	43 (31.4)	14 (17.5)	0	0	67
Middle management level (ii)	12 (13.1)	13 (12.6)	41 (44.6)	29 (24.7)	4	0	95
High management level Researcher (iii)	4 8 12 (6.7)	4 6 10 (6.5)	8 7 15 (23.0)	8 4 12 (12.8)	0 1	2 0	49
Total <sup>(2)</sup>	29	28	99	55	5	2	211

$X^2 = 18.667$

D.f = 6

Significant at .01 probability level

## Managers grouping B

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	4 8 (13.4)	4	31 (24.9)	13 (13.7)	0	0	52
Middle management level (ii)	7 16 (15.2)	9	25 (28.2)	18 (15.6)	2	0	59
High management level Researcher (iii)	2 5 12 (7.4)	2 3	8 3 11 (13.9)	5 1 6 (7.7)	0 1	1 0	29
Total <sup>(2)</sup>	18 (35.0)	36 (35.0)	67 (35.0)	37 (35.0)	3	1	140

$X^2 = 8.32$

D.f = 4

 $p > .05$ 

overall  $X^2 = 45.885$

D.f = 3

significant at .01 probability level

(1) This column was dropped from the analysis

(2) The totals do not include the dropped column and missing value

V<sub>1</sub> : To increase market shareV<sub>2</sub> : To increase sales volumeV<sub>3</sub> : To increase company profitV<sub>4</sub> : To achieve a target rate of return on capital employedV<sub>5</sub> : Other

9 : missing value

Stratifying responses by industry indicates a large discernible difference between industries when specifying the company's overall marketing objectives, part A of Table 1, Appendix II only. Food and pharmaceutical industries (i and iv) rated profit objective the most usual one of all, and subgroup (iii) including household products and motor industries, did the opposite. In addition, 'Rate of return on capital employed' was the most usual in the drink, subgroup (ii). Therefore, a highly significant result is clear.

In respect of managers grouping B, there is some slight differences between responding subgroups but they are not sufficient enough to produce a significant result. However, based on the grand total response, a highly significant result is clear. It is obvious that profit objective is widely applied at this planning level, however, defining an objective is affected by the purchasing rate of a product in the market.

Although foreign producers were slightly more in favour of market share and sales objectives than the British producers, the general trend of response in both subgroups was close to the total group response (Table 2, Appendix II). Therefore, based on the grand total score, a highly significant relationship between nationality of brands and company's overall marketing objectives was found in favour of profit objective.

Question 2        "At the marketing division level. How does the marketing division define its own objectives within the marketing strategy?"

In spite of the similarity of options granted in the last two questions, the total number of selections in the current question was higher than the previous one, Table 6.9. For instance, the total score of B group is (160) compared with (140) for the same group in the preceding question. However, "to increase gross profit" maintained its superiority over other objectives, while the rate of return lost its middle position to

Table 6.9

Respondent's management level related to the marketing division objectives

## Brands grouping A

	V <sub>6</sub>	V <sub>7</sub>	V <sub>8</sub>	V <sub>9</sub>	V <sub>10</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	12 (19.2)	12 (18.3)	47 51 (37.5)	4	0	0	75
Middle management level (ii)	29 (25.9)	25 (24.6)	35 47 (50.5)	12	2	0	101
High management level (iii)	10 (7.5)	8 (7.0)	8 11 (14.5)	3	0	2	29
Researcher (iv)	8 (6.4)	11 (6.1)	2 6 (12.5)	4	0	0	25
Total <sup>(2)</sup>	59	56	115		2	2	230

$X^2 = 19.887$

D. f = 6 Significant at .01 probability level

## Managers grouping B

	V <sub>6</sub>	V <sub>7</sub>	V <sub>8</sub>	V <sub>9</sub>	V <sub>10</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	11 (14.6)	9 (13.5)	36 40 (31.9)	4	0	0	60
Middle management level (ii)	17 (16.1)	17 (14.9)	25 32 (35.0)	7	2	0	66
High management level Researcher (iii)	6 5 11 (8.3)	6 4 10 (7.6)	8 2 13 (18.1)	2 1	0 0	1 0	34
Total <sup>(2)</sup>	39 (40.0)	36 (40.0)	71 85 (40.0)	14 (40.0)	2	1	160

$X^2 = 8.121$

D. f = 4

 $p > .05$ 

Overall  $X^2 = 41.35$

D. f = 3

Significant at .01 probability level

(1) This column was dropped in the analysis

(2) The totals do not include the dropped column and missing value

V<sub>6</sub> : To increase market shareV<sub>8</sub> : To increase gross profitV<sub>7</sub> : To increase sales volumeV<sub>9</sub> : To achieve a target rate of return on capital employedV<sub>10</sub> : Other

9 : missing value

market share and sales volume objectives. Therefore, the former two objectives are pooled together, but the latter two are kept separate. Meanwhile, option (5) designated "other" includes a few remarks, such as "create awareness," and "profit sales ratio" which were stated by the same respondents in the preceding question. These suggestions had a very low score and differed in nature to other options, so that they would be excluded from the analysis. In addition to that, the low score of researcher class in group B caused pooling them with high management level, subgroup (iii). After these modifications, a highly significant relation between types of management and marketing division objectives is clear in brand grouping A only. Because low management level (i) remained concerned about profit and rate of return on capital more than the other two objectives while the opposite was indicated by all other managerial levels. This pattern of responses became less discernible in managers grouping B which led to a non significant result; however, the overall group response revealed a highly significant one.

Table 3, Appendix II illustrates the scores of respondents classified by industry type which are significantly similar to the results found in the former profile. Regarding group A, discernible differences between the responses of strata are clear. Food and drink subgroups (i and ii) were respectively in favour of sales volume and market share more than others, while motor industry (iv) did the same for both these objectives. However, household products and pharmaceutical subgroups (iii, and v) were mostly concerned with profit and rate of return. These differences occurred in managers grouping B, but pooling household products and motor industries in one category, subgroup (iii), lessened the relation and became non significant. Nevertheless, total sample response revealed a high significant result which was in favour of profit objective.

By relating the marketing division objectives to the nationality of brand, subgroups' responses are close to the total group response, which again shows a significant result in favour of profit objective, (Table 3, Appendix II)

Question 3    "At the product brand level. What is the main objective of your product/brand marketing plan(s)?"

To answer this question, the respondents were requested to tick the main objectives out of four supplied alternatives. Approximately the same total score was made in this question as the preceding one, but with a noticeable shifting towards market share and sales objectives, Table 6.10. Both these objectives and profit gained about an equal score, especially in brand grouping A, while "rate of return on capital employed" had the lowest score of all. Therefore, the latter objective is pooled with profit to get five or more points for the expected value of each cell. For the same reason, Researcher class is merged with middle management level in one category (ii) in part B of the table. It is interesting to notice that middle and high management levels (ii and iii) who were highly concerned with market share and sales objectives in the last two questions, become almost equally concerned with all these objectives at this planning level, while Researcher subgroup (iv), part A of the table, holds the same position as before. Although low management level (i) remains considering profit objective the most applied one, the extent of this magnitude is lower at product/brand level than other preceding levels. However, the differences between subgroups at this planning level are too marginal to produce a significant result. Regarding the total group response, a highly significant relation with the product/brand marketing objectives is found in favour of the first three alternatives. By comparing the sequence of responses in the last three questions, market share and sales objectives become increasingly important as the planning level moves from the corporate to the product/brand level.

Table 6.10

Respondent's management level. by product/brand marketing objectives

## Brands grouping A

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	24 (25.0)	21 (25.0)	33 36 (31.0)	3	0	0	81
Middle management level (ii)	28 (28.7)	29 (28.7)	31 36 (35.6)	5	1	0	93
High management level (iii)	11 (9.6)	8 (9.6)	9 12 (11.8)	3	0	2	31
Researcher (iv)	8 (7.7)	13 (7.7)	0 4 (9.6)	4	0	0	25
Total <sup>(2)</sup>	71 (57.5)	71 (57.5)	88 73 15 (57.5) (57.5)		1	2	230

$X^2 = 8.914$

D.f = 6

 $p > .05$ 

overall  $X^2 = 41.929$

D.f = 3

significant at .01 probability level

## Managers grouping B

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	17 (19.5)	17 (18.8)	28 31 (26.7)	3	0	0	65
Middle management level Researcher (ii)	20 5 25 (22.6)	18 6 24 (21.6)	21 0 26 (30.8)	4 1	1 0	0 0	75
High management level (iii)	7 (6.9)	6 (6.6)	8 10 (9.5)	2	0	1	23
Total <sup>(2)</sup>	49 (40.75)	47 (40.75)	67 57 10 (40.75) (40.75)		1	1	163

$X^2 = 2.539$

D.f = 4

 $p > .05$ 

overall  $X^2 = 32.313$

D.f = 3

significant at .01 probability level

(1) This column was dropped from the analysis

(2) The totals do not include the dropped column and missing value

V<sub>11</sub> : To increase market shareV<sub>14</sub> : To achieve a target rate of return  
on capital employedV<sub>12</sub> : To increase sales volumeV<sub>15</sub> : OtherV<sub>13</sub> : To increase gross profit

9 : Missing value

planning level, while the opposite is the case for profit and rate of return on capital objectives. Moreover, the total number of selected objectives is increased at the last two planning levels which indicates that multiple objectives are employed to achieve the main objective(s) of the company. Classifying responses by industry types indicates a non significant association with the product/brand marketing objectives, Table 5, Appendix II. The subgroups have a similar preference towards these objectives as the ones in the last question except that of household products and pharmaceutical (iii and v) intend to select market share and profit objectives more than sales volume. This pattern of response is reflected in the total group response which shows a highly significant result in favour of the above objectives.

Meanwhile, Table 6, Appendix II illustrates the responses classified by nationality. Although foreign producers apply rate of return more than the British, there are no other discernible differences between strata, and thus, a non significant result is found. However, the compound response discloses a highly significant one in favour of the first three objectives.

Question 4 "For each of the major brands you control, where would you place it in its product life cycle?"

Three managers responsible for eight brands refused to answer this question while 8 other managers (16 brands) quoted "The answer is not simple" and "product life cycle is not practical", Table 6.11. These suggestions would be eliminated in the further analysis for their low scores and natures. Furthermore, few brands were allocated at introduction and decline stages (9 and 8 brands to each stage respectively in part A), so that these stages were merged with growth stage to be tested against mature stage. A non significant relation between industry types of

Table 6.11

Industry type of brand by the allocation of a brand in its life cycle

## Brands grouping A

	V <sub>16</sub>	V <sub>17</sub>	V <sub>19</sub>	V <sub>18</sub>	V <sub>20</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Food (i)	1	16 23 (27.2)	6	36 (31.8)	6	8	59
Drink, tobacco (ii)	3	15 18 (13.3)	0	11 (15.7)	3	0	29
Household products (iii)	2	4 6 (7.4)	0	10 (8.6)	0	0	16
Motor (iv)	2	6 9 (6.9)	1	6 (8.1)	5	0	15
Pharmaceutical (v)	1	6 8 (9.2)	1	12 (10.8)	2	0	20
Total <sup>(2)</sup>		64		75	16	8	139

$\chi^2 = 6.238$

D.f = 4

p &gt; .05

## Managers grouping B

	V <sub>16</sub>	V <sub>17</sub>	V <sub>19</sub>	V <sub>18</sub>	V <sub>20</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Food (i)	1	11 14 (16.2)	2	22 (19.8)	2	3	36
Drink, tobacco (ii)	1	12 13 (10.4)	0	10 (12.6)	2	0	23
Household products (iii)	2	4 6 (6.8)	0	9 (8.2)	0	0	15
Motor (iv)	1	5 7 (5.4)	1	5 (6.6)	2	0	12
Pharmaceutical (v)	0	5 6 (7.2)	1	10 (8.8)	2	0	16
Total <sup>(2)</sup>		46		56	8	3	102

$\chi^2 = 3.128$

D.f = 4

p &gt; .05

(1) This variable was dropped from the analysis

(2) The totals do not include the dropped variable and missing value

V<sub>16</sub> : Introduction stageV<sub>19</sub> : Decline stageV<sub>17</sub> : Growth stageV<sub>20</sub> : OtherV<sub>18</sub> : Mature stage

9 : Missing value

brands and allocation of brands in their product life cycles is found. Nevertheless, food industry (i) has more brands in the mature stage than in other stages, while the opposite is obvious in drink subgroup (ii). A significance test on overall response is not performed since there is no theoretical information about distributing the brands over the stages of product life cycle available for the researcher.

Analysing responses by nationality of companies reveals that foreign companies have more brands in the growth stages than do the British, and the opposite is true for the other stages, part A of Table 7, Appendix II. Nevertheless, comments about the difficulty of answering the question and the impracticality of using the product life cycle were common among the foreign producers. All these differences are diminished in group B, and thus a non significant response dominates the relationship.

Relating the respondent's management levels to the positions of brands in the product life cycle shows a highly significant result, whether the open-ended alternative designated "other" is included or not, part A of Table 8, Appendix II. This result is attributed to the various assessments of brand's position in the cycle made by managers; low management level (i) stated a higher number of brands at the mature stage than other stages; while other management levels, especially middle level (ii), did the opposite. The same differences appear in group B, but with less noticeable size, and thus a significant result is found.

#### Question 5a

Seven managers handling 8 brands did not reply to the question "do the dimensions in which you set your product/brand marketing plan vary through the different stages of the product life cycle?" The only subgroup

Table 6.12

Industry type of brand related to the effects of product life cycle on the product/brand marketing plan

## Brands grouping A

	Yes	No	Don't know	9	Total <sup>(1)</sup>
Food	52	12	7	2	71
(i)	(51.5)	19	(19.5)		
Drink, tobacco	18	4	8	2	30
(ii)	(21.8)	12	(8.2)		
Household products	12	0	3	1	
Motor	14	1	0	3	
(iii)	(21.8)	4	(8.2)		30
Pharmaceutical	15	6	1	0	22
(iv)	(15.9)	7	(6.1)		
Total <sup>(1)</sup>	111	42	19	8	153
	(67.0)	(67.0)			

$$X^2 = 5.585$$

$$\text{Overall } X^2 = 57.792$$

D.f = 3

D.f = 1

p &gt; 0.5

significant at .01 probability level

## Managers grouping B

	Yes	No	Don't know	9	Total <sup>(1)</sup>
Food	31	6	3	1	40
(i)	(30.0)	9	(10.0)		
Drink, tobacco	15	4	4	2	23
(ii)	(17.3)	8	(5.7)		
Household products	11	0	3	1	
Motor	8	1	0	3	
Pharmaceutical	13	4	1	0	
(iii)	(30.7)	9	(10.3)		41
Total <sup>(1)</sup>	78	26	11	7	104
	(46.5)	(46.5)			

$$X^2 = 1.586$$

$$\text{Overall } X^2 = 42.678$$

D.f = 2

D.f = 1

p &gt; .05

significant at .01 probability level

(1) The totals do not include missing value (9)

9 = missing value

disproved the difference was drink (ii), but other subgroups confirmed it, Table 6.12. Therefore subgroups' responses cannot be discerned from the total group response which indicates a highly significant result.

Moreover, significant results between respondents stratified by nationality and managerial levels are again not found, Table 9 and 10, Appendix II respectively, while total response shows a highly significant one in favour of "yes" alternative.

#### Question 5b

Thirteen managers (20 brands) out of seventy-eight managers (111 brands) who had ticked "yes" in the previous question, refused to answer the present question "If yes, in what way?" Table 6.13. The remaining respondents quoted the following influences of product life cycle on the product/brand marketing plans:

1. "Market share objective is more important at early stages than later stages of product life cycle".
2. "Profit and sales volume objectives are more important at later stages than early stages of product life cycle".
3. "The functions of marketing strategy elements are varied over the stages of product life cycle (e.g. higher advertising expenditures are devoted at early stages than later stages)".
4. "Product life cycle is applied to modify and/or replace the existing products to meet the technological developments".
5. "Product life cycle reflects the competitive conditions within a market which is considered to build and/or enter the market segments".
6. "Product life cycle is impractical".

Table 6.13

Industry type of brand related to the ways of applying pLc in marketing planning

## Brandsgrouping A

	1 <sup>(1)</sup>	2	3	4	5	6 <sup>(2)</sup>	9	Total <sup>(2)</sup>
Food	13	8	20	0	1	1	10	54
Drink, tobacco	2	1	4	0	5	1	4	
(i)	24 (22.3)		24 (18.0)		6 (13.7)			
Household products	3	3	1	2	0	0	3	33
Motor	1	1	1	10	1	0	0	
Pharmaceutical	1	3	3	1	2	0	5	
(ii)	12 (13.7)		5 (11.0)		16 (8.3)			
Total <sup>(2)</sup>	36		29		22	2	22	87

$X^2 = 17.084$

D.f = 2

significant at .01 probability level

## Managers grouping B

	1 <sup>(1)</sup>	2	3	4	5	6 <sup>(2)</sup>	9	Total <sup>(3)</sup>
Food	11	5	10	0	1	1	4	37
Drink, tobacco	2	1	3	0	4	1	3	
(i)	19 (17.6)		13 (10.6)		5 (8.8)			
Household products	2	3	1	2	0	0	3	26
Motor	1	1	1	4	1	0	0	
Pharmaceutical	1	3	3	1	2	0	3	
(ii)	11 (12.4)		5 (7.4)		10 (6.2)			
Total <sup>(2)</sup>	30		18		15	2	13	63

$X^2 = 5.56$

D.f = 2

p &gt; .05

- (1) The column's numbers relate to the quotations mentioned on page 149
- (2) This column is dropped from the totals
- (3) The totals do not include the dropped column and the missing value

The last quotation cited by the same respondents in the preceding fourth question reflects that they do not know of any actual differences of a product marketing plan over the stages of product life cycle. As it had very low scores it was dropped in the analysis. Meanwhile, the low scores of other factors make it necessary to pool them in three categories: the first one includes the first two comments to represent the application of product life cycle in setting product marketing objectives; the second category in which the third factor is fitted, stands for the variation of the marketing plan itself over the cycle; and the last subgroup contains the fourth and fifth suggestions concerned with monitoring the external conditions of a market. Moreover, industry types of brands are combined into two subgroups as having scattered responses. Subgroup (i) which included food and drink industries, showed a higher concern about the first two categories of applying product life cycle than the third one.

Meanwhile, subgroup (ii); household products, motor and pharmaceutical industries, indicated the opposite. The same observation, but to a lesser extent, appears in managers grouping B, consequently a highly significant result is found in the former group. While a non significant result obtains in the latter.

Regarding the nationality of brand profile, foreign makers applied the product life cycle to check market conditions more than the British, while the reverse was the case for other factors Table 11, Appendix II. Again, these differences are greater in group A than B, so that a significant association is found in the former group only.

However a non significant relationship between the respondents' job titles and ways of applying product life cycle in the product marketing plan is found inspite of a slight variance in response of strata, Table 12 Appendix II. Low management level (i) was in favour of applying product life cycle for setting marketing objectives more than the other

category included factors 3, 4 and 5, while the opposite was true for other subgroups, especially high management and researcher (iii). Nevertheless, the total sample response of group A revealed a highly significant result in favour of factors 1, and 3.

Although the extent of information is not large enough to provide a general conclusion concerning the total population of subgroups, this question gives an indication that there are differences in applying the product life cycle in product marketing planning.

#### 6.4 Data related to market definition

##### Question 1

All respondents replied to the question "Are you responsible for managing your product/brand?" The majority of them ticked alternative b, "in the UK domestic market only," while the other two choices shared the remaining few responses, Table 6.14. Although British respondents (i) are more involved in the international market than the foreigners (ii), the response patterns of those subgroups are similar to the total response. This result agrees with the study limitations which have already been stated in the first chapter of this thesis. Consequently, a significance test between subgroups\* becomes invalid as well as the total response since there has been no theoretical information available for calculating the expected values of each alternative. The same observation is found in other profiles, industry type of brand and managerial level, Tables 13 and 14 of Appendix II, and thus the same rule for performing the significance test is applied.

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\* An attempt is made to drop the third alternative "both UK and international markets," and add its score to each of the first two alternatives, but their expected values are still under (5) points in most cases.

Table 6.14

Nationality of brand by respondent's geographical market responsibility

## Brands grouping A

	V <sub>21</sub>	V <sub>22</sub>	V <sub>23</sub>	V <sub>24</sub>	9	Total
British (i)	6	96	9	0	0	111
Foreign (ii)	0	53	3	0	0	56
Total	6	149	12	0	0	167(1)

## Managers grouping B

	V <sub>21</sub>	V <sub>22</sub>	V <sub>23</sub>	V <sub>24</sub>	9	Total
British (i)	2	67	5	0	0	74
Foreign (ii)	0	36	3	0	0	39
Total	2	103	8	0	0	113 (1)

V<sub>21</sub> : In international market only

V<sub>22</sub> : In the UK domestic market only

V<sub>23</sub> : Both UK and international markets

V<sub>24</sub> : Other

9 : Missing value

- (1) The figures do not add up to 161, and 111 because two managers had responsibility for more than one brand each with differing territorial assignments

Table 6.15

## Respondent's management level by the selection of market segmentation types

## Brands grouping A

	V <sub>25</sub>	V <sub>26</sub>	V <sub>27</sub>	V <sub>28</sub>	V <sub>29</sub>	V <sub>30</sub>	9	Total <sup>(1)</sup>
Low management level (i)	44 49 (42.9)	5 5	15 (15.1)	26 (30.9)	13 (14.1)	1	4	103
Middle management level (ii)	45 51 (54.2)	6 6	19 (19.1)	43 (38.9)	17 (17.8)	1	1	130
High management level Researcher (iii)	13 13 28 (30.9)	2 0	7 4 11 (10.8)	11 12 23 (22.2)	7 5 12 (10.1)	0 0	0 0	74
Total <sup>(1)</sup>	115 (61.4)	13 (61.4)	45 (61.4)	92 (61.4)	42 (61.4)	2	5	307

$$X^2 = 3.049$$

$$\text{Overall } X^2 = 110.703$$

$$D.f = 6$$

$$D.f = 4$$

$$p > .05$$

significant at .01 probability level

## Managers grouping B

	V <sub>25</sub>	V <sub>26</sub>	V <sub>27</sub>	V <sub>28</sub>	V <sub>29</sub>	V <sub>30</sub>	9	Total <sup>(1)</sup>
Low management level (i)	34 37 (33.6)	3 3	13 (14.4)	23 (25.6)	11 (10.4)	1	2	84
Middle management level (ii)	29 32 (32.4)	3 3	13 (13.9)	27 (24.7)	9 (10.0)	1	1	81
High management level Researcher	8 6 15 (18.0)	1 0	6 4 10 (7.7)	9 5 14 (13.7)	5 1 6 (5.6)	0 0	0 0	45
Total <sup>(1)</sup>	77 (42.0)	7 (42.0)	36 (42.0)	64 (42.0)	26 (42.0)	2	3	210

$$X^2 = 2.379$$

$$\text{Overall } X^2 = 76.81$$

$$D.f = 6$$

$$D.f = 4$$

$$p > .05$$

significant at .01 probability level

(1) The totals do not include the scores in V<sub>30</sub> or the missing values coded 9

V<sub>25</sub> : By type of product

V<sub>26</sub> : By type of technology

V<sub>27</sub> : By region

V<sub>28</sub> : By type of user

V<sub>29</sub> : By type of end use

V<sub>30</sub> : Other

9 : Missing value

Question 2 'If you divide the market for your product/brand into submarkets, what forms of market segmentation do you normally use?'

Table 6.15 illustrates the response classified by a managerial level profile for each type of market segmentation. It seems that multiple types are employed as the total number of selections exceed the actual number of respondents. Moreover, some managers quoted other types of market segmentation under "other" category, Table 6.16. The first three suggestions almost reflect the type of user ( $V_{28}$ ), so that they are pooled together. Meanwhile, the last comment is ignored as it has a very low score and differs in nature than others. After this adjustment, "type of product" attains the highest score of all, 115 mentions, while "type of technology" got the lowest one, 13 mentions. Since the latter alternative has a very low score and is of similar nature to the former one, they are combined in one category. For the same reasons, researcher and high management level are merged into one subgroup (iii). Low management level (i) was more in favour of product/technology than type of user, and the opposite was the case for other subgroups. No other discernible differences between subgroups' responses are found. However, the total response reveals a highly significant result in favour of product, and type of user.

Table 6.16 Respondent's suggestions of other forms of market segmentation not mentioning in the questionnaire

	Brands grouping	Managers grouping
	A	B
Trade sector	5	3
Price quality	3	3
Type of outlet	11	8
Segmentation is not applied	2	2
Total	21	16

In spite of the superiority of product and user types in the industry type classification, many slight differences in responses of subgroups can be observed Table 15, Appendix II. Food subgroup (i) was concerned with the type of end use rather than type of user, but the opposite was found by all other subgroups. The third subgroup, household products and motor, was in favour of region segmentation as well as the former one, while pharmaceutical subgroup (iv) was highly interested in product/technology types. Nevertheless, a non significant relationship between industry subgroups and types of segmentation is found, while the overall response indicates a highly significant result.

Classifying responses by nationality discloses no discernible differences between strata, and thus a non significant result is obvious, Table 16, Appendix II. Meanwhile the compound response of all strata discerned between these segmentation types, and a highly significant result is found.

### Question 3a

Four respondents responsible for six brands did not answer the question "Is your marketing organization specifically geared to these market segments or not?" Also the two respondents who had commented "segmentation is not applied" in the preceding question did the same in this question, Table 6.17. High management level (iii) highly confirmed this action, while research subgroup (iv) did the opposite, Part A of the table. Meanwhile, no further discernible differences between other subgroups in Part A and all of them in Part B are found, and thus a non significant relationship between management levels and the organization of a marketing division is found. However, the total response reflects a highly significant result in favour of the organization of the marketing division by type of market segments.

Table 6.17

Respondent's management level and whether market segmentation affects marketing division structure

## Brands grouping A

	Yes	No	Other Comments	9	Total <sup>(1)</sup>
Low management level (i)	38 (37.3)	16 (16.7)	1	4	54
Middle management level (ii)	41 (42.8)	21 (19.2)	1	2	62
High management level (iii)	18 (13.8)	2 (6.2)	0	0	20
Researcher (iv)	8 (11.1)	8 (4.9)	0	0	16
Total <sub>(1)</sub>	105 (76.0)	47 (76.0)	2	6	152

$$X^2 = 7.237$$

D.f = 3

p &gt; .05

$$\text{Overall } X^2 = 22.132$$

D.f = 1

significant at .01 probability level

## Managers grouping B

	Yes	No	Other Comments	9	Total <sup>(1)</sup>
Low management level (i)	29 (28.7)	13 (13.3)	1	2	42
Middle management level (ii)	25 (26.6)	14 (12.4)	1	2	39
High management level Researcher (iii)	12 5 17 (15.7)	2 4 6 (7.3)	0 0	0 0	23
Total <sub>(1)</sub>	71 (52.0)	33 (52.0)	2	4	104

$$X^2 = .653$$

D.f = 2

p &gt; .05

$$\text{Overall } X^2 = 13.884$$

D.f = 1

significant at .01 probability level

(1) The totals do not include 'other comments' or the missing values coded 9

Regarding the classifications of respondents by industry type and nationality, no distinguishable differences between strata are found, so that those profiles reveal similar results as the preceding one, Table 17 and Table 18, Appendix II.

Question 3b "If yes in what way?"

Out of seventy one managers (105 brands) who had answered "yes" in the previous question, thirteen managers (20 brands) did not comment on this question, Table 6.18. The managers who did comment, suggested three ways of applying market segmentation in organizing a marketing division:-

- 1 "Market segmentation is applied to outline the structure of marketing division".
- 2 "Each market segment has a unique marketing strategy".
- 3 "For defining manager's responsibility".

It is clear that the first quotation is the most common one and gets 43 and 20 mentions in response groupings A and B respectively, while the other two share the remaining responses. However, low and middle management levels (i and ii) responded in favour of the latter two applications, while high management level/research subgroup (iii) showed exactly the opposite. Therefore, a highly significant result dominates the relationship between management levels and the ways of applying market segments on which it can be concluded that the responsibility of each management level implies using these segments for different purposes.

Stratifying responses by industry types indicates that food, drink and pharmaceutical subgroups are in favour of applying market segments for designing marketing strategy and defining the manager's responsibility, but this does not appear to be the case for the household product/motor industry, subgroup iii,

Table 6.18

Respondents' management level by application of market segmentation

## Brands grouping A

	(1) 1	2	3	9 <sup>(2)</sup>	Total <sup>(3)</sup>
Low management level (i)	15 (16.2)	12 17 (15.8)	5	6	32
Middle management level (ii)	10 (16.7)	13 23 (16.3)	10	8	33
High management level Researcher (iii)	10 8 18 (10.1)	0 0 2 (9.9)	2 0	6 0	20
Total <sup>(3)</sup>	43	42		20	85

$$X^2 = 18.105$$

D. f = 2 significant at .01 probability level

## Managers grouping B

	(1) 1	2	3	9 <sup>(2)</sup>	Total <sup>(3)</sup>
Low management level (i)	9 (11.5)	10 14 (11.5)	4	6	23
Middle management level (ii)	8 (10.5)	8 13 (10.5)	5	4	21
High management level Researcher (iii)	7 5 12 (7.0)	0 0 2 (7.0)	2 0	3 0	14
Total <sup>(3)</sup>	29	29		13	58

$$X^2 = 9.42$$

D. f = 2 significant at .01 probability level

- (1) The numbers being attached to the columns, represent the factors of applying market segmentation mentioned in the text
- (2) Missing value
- (3) The totals do not include the missing value

Table 19, Appendix II. These differences occur to a greater extent in response grouping A than B through removing the duplication of response in the latter group. Therefore a significant result between strata is found in part A, and the total response of part B reveals the same result in favour of applying market segments for outlining the structure of the marketing division. On the other hand, Table 20, Appendix II illustrates the responses classified by nationality of brand. In spite of a slight variance between the two subgroups, no significant association between them and the use of market segments has emerged. However the total response in part A reveals a highly significant result in favour of the first quotation.

#### 6.5 Identifying the market base for measuring the market share

Question 1 "What figures do you use for your own sales when calculating market shares?"

All respondents replied to this question, and a few of them commented under alternative "other" the followings: "by number of consumer" and "assessing market shares is not applied as facing weak competition in the market", Table 6.19. Because these suggestions have a very low score and a different nature from others, they are dropped from the total response. It is clear that some respondents applied more than one sales figure for calculating market share of a product as the total number of selecting alternatives exceeds the total number of respondents. However, industry subgroups showed a great deal of differences in applying these figures: food and drink subgroups (i and ii) preferred mostly the sales volume,  $V_{32}$ , motor subgroup (iv) relied heavily on unit sales (this industry type influenced the response pattern of subgroup (ii), household products and motor, in part (B); and the pharmaceutical subgroup applied sales value,  $V_{31}$ , more than sales volume  $V_{32}$ . Therefore

Table 6.19

Industry type of brand by sales figures employed for measuring market share levels

## Brandsgrouping A

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub> <sup>(1)</sup>	9	Total <sup>(3)</sup>
Food (i)	39 (37.6)	61 (52.4)	29 (39.0)	3	0	129
Drink, tobacco (ii)	6 (11.4)	22 (15.8)	11 (11.8)	0	0	39
Household products (iii)	9 (8.4)	11 (11.8)	9 (8.8)	0	0	29
Motor (iv)	1 (5.5)	2 (7.7)	16 (5.8)	0	0	19
Pharmaceutical (v)	21 (13.1)	10 (18.3)	14 (13.6)	2	0	45
Total (2)	76	106	79	5	0	261

$$X^2 = 43.554$$

D. f = 8 significant at .01 level

## Managers grouping B

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub> <sup>(1)</sup>	9	Total <sup>(3)</sup>
Food (i)	20 (20.4)	32 (27.1)	18 (22.5)	1	0	70
Drink, tobacco (ii)	6 (9.4)	18 (12.4)	8 (10.2)	0	0	32
Household products Motor (iii)	8 1 9 (11.7)	10 2 12 (15.5)	9 10 19 (12.8)	0 0	0 0	40
Pharmaceutical (iv)	17 (10.5)	7 (14.0)	12 (11.5)	1	0	36
Total (2)	52	69	57	2	0	178

$$X^2 = 17.99$$

D. f = 6 significant at .01 level

(1) This variable was dropped from the analysis

(2) The totals do not include the dropped variable and the missing value

V<sub>31</sub> : Sales valueV<sub>32</sub> : Sales volumeV<sub>33</sub> : Unit salesV<sub>34</sub> : Other

By finding such a highly significant relationship, especially in Part A, it can be concluded that measuring market share by specific sales figure is a function of the industry types concerned.

Moreover, classifying responses by nationality of brands reveals a highly significant result in part A, Table 21, Appendix II. British respondents were more concerned about sales volume than unit sales, while the foreigners did the opposite. These differences become weaker in part B, and thus a significant result is clear.

Although management subgroups showed a slight variance in applying sales figures, a non significant result was found in both parts of Table 22, Appendix II. Meanwhile the total group response indicated a significant result in favour of sales volume,  $V_{32}$ , in part A only.

Question 2 "Is there a special reason for using this figure?"

Thirty five managers handling 65 brands did not reply to this question, Table 6.20. The remaining respondents suggested nine reasons:-

- 1 - "Accuracy".
- 2 - "Availability of data".
- 3 - "Avoid inflation and price differences".
- 4 - "Different packing of a product".
- 5 - "Industry practice".
- 6 - "Requirement of a decision making".
- 7 - "Requirement of forecasting sales and profit".
- 8 - "All figures are applied to understand a market".
- 9 - "Refused to answer".
- 10 - "Depending upon presentation of objectives".

Because the responses were sprinkled over these factors, pooling them was vital to perform the significance test. Besides the nature of

Table 6.20

Industry type of brand/<sup>by</sup>the reasons for using a particular sales figure(s) for measuring market share

## Brands grouping A

	1 (1)	4	2	5	3	6	7	8	10	9	Total
Food	4	4	2	3	13	4	3	7	3	30	61
Drinks, tobacco	4	4	6	1	2	0	1	0	0	14	
(i)	16 (14.62)		12 (15.25)		15 (15.88)		18 (15.25)				
Household products	1	1	2	0	4	0	0	2	0	6	35
Motor	0	0	3	4	2	0	0	0	0	9	
Pharmaceutical	4	1	2	1	4	0	3	1	0	6	
(ii)	7 (8.38)		12 (8.75)		10 (9.12)		6 (8.75)				
Total	23 13 10 (10.7) (10.7)		24 15 9 (10.7) (10.7)		25 (10.7)	4 7 10 3 (10.7) (10.7) (10.7) (10.7)				65	96

$$X^2 = 3.767$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 32.71$$

$$D.f = 8 \quad \text{significant at .01 probability level}$$

## Managers grouping B

	1 (1)	4	2	5	3	6	7	8	10	9	Total
Food	2	4	1	3	8	4	1	6	1	11	45
Drink, tobacco	3	3	5	1	2	0	1	0	0	10	
(i)	12 (10.1)		10 (12.4)		10 (11.8)		13 (10.7)				
Household products	1	1	2	0	4	0	0	2	0	5	31
Motor	0	0	3	3	2	0	0	0	0	4	
Pharmaceutical	2	1	2	1	4	0	2	1	0	5	
(ii)	5 (6.9)		11 (8.6)		10 (8.2)		5 (7.3)				
Total	17 8 9 (8.4) (8.4)		21 13 8 (8.4) (8.4)		20 (8.4)	4 4 9 1 (8.4) (8.4) (8.4) (8.4)				35	76

$$X^2 = 3.904$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 29.791$$

$$D.f = 8 \quad \text{significant at .01 probability level}$$

(1) The heading numbers represent the quotations mentioned in the text

the factors, each respondent's suggestion is related to his selection in the previous question, and the maximum association between them for all respondents are applied for this purpose. Furthermore, industry types are also combined into two categories, the first one (i) contains food and drink; and the second one (ii) has the remaining industries. No significant relation between industry subgroups and the reasons of applying sales figures is found, but the total group response shows a high significance in favour of the first, second and third factors. Although, the size of response (part A only) is not quite sufficient for drawing a general conclusion regarding all factors, it points out that inflation factor is the major reason considered for selecting the sales figures.

Regarding manager's classification, a non-significant association is also found, particularly if subgroup (iii), high management level and researcher, is eliminated, Table 23, Appendix II.

Nevertheless, by relating nationality of brands to the reasons of applying sales figures a significant result is found in part A of Table 24, Appendix II. Since British producers were more interested in the last category of reasons (6, 7, 8, 10) than the second one (2, 5), and the opposite was correct for the foreigners. As for removing the duplication in response, part B, these variances become less unimportant, while the total response indicates a highly significant result.

Question 3 "What figures of market sales do you use as a base for your percentage?"

One manager handling 2 brands refused to answer this question, Table 6.21. Also, one

Table 6.21

Respondent's management level by market sales figures

## Brands grouping A

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	33 (31.1)	24 (22.2)	5 24 (27.7)	19	0	2	81
Middle management level (ii)	46 (48.8)	30 (34.7)	18 51 (43.5)	33	3	0	127
High management level (iii)	13 (10.7)	10 (7.7)	1 5 (9.6)	4	0	0	28
Researcher (iv)	9 (10.4)	8 (7.4)	4 10 (9.2)	6	0	0	27
Total <sup>(2)</sup>	101 (65.75)	72 (65.75)	28 90 (65.75)	62 (65.75)	3	2	263

$X^2 = 6.54$

D. f = 6

p &gt; .05

Overall  $X^2 = 41.38$

D. f = 3

significant at .01 probability level

## Managers grouping B

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	26 (25.7)	21 (18.9)	4 18 (20.4)	14	0	1	65
Middle management level (ii)	27 (28.9)	18 (21.2)	10 28 (22.9)	18	1	0	73
High management level Researcher (iii)	10 5 15 (13.4)	7 4 11 (9.9)	1 1 8 (10.7)	4 2	0 0	0 0	34
Total <sup>(2)</sup>	68 (43.0)	50 (43.0)	16 54 (43.0)	38 (43.0)	1	1	172

$X^2 = 3.257$

D. f = 4

p &gt; .05

Overall  $X^2 = 33.209$

D. f = 3

significant at .01 probability level

(1) The column was not considered in the analysis

(2) The totals do not include the dropped column and the missing value

V<sub>35</sub> : Total Industry SalesV<sub>36</sub> : Sales by all competing brandsV<sub>37</sub> : Sales of selected competing brandsV<sub>38</sub> : Sales in a limited market segmentV<sub>39</sub> : Other figures

9 : Missing value

manager handling three brands in the same groups commented "assessing market share is not applied as facing weak competition", and it was dropped from the total response. The remaining respondents aimed to select multiple bases for measuring market share as the total number of selections was over the total number of respondents. However, the only clear difference between subgroups' responses is the preference of the third category of alternatives, variables 37 and 38, made by middle management level (ii), while high management level (iii) preferred other alternatives, variables 35 and 36, which is the response pattern of the total group. Therefore a non significant relationship between managerial levels and market sales bases is clear, whereas the total response reveals a highly significant result.

In the industry type of brand profile, small differences between subgroups occurred, Table 25 Appendix II. Food and drink industries (i and ii) applied a joint group of alternatives, variables 37 and 38, most of all, whereas the motor industry (iv) was mostly interested in variable 35 (this industry dominates the response pattern of subgroup iii in Part B). Pharmaceutical subgroup (v) in part A and (iv) in part B, gave the highest score to variable 36. However, all these differences are not significant, while the total response remains revealing a highly significant result.

Again, there is no significant result between subgroups classified by nationality of brands, but a high significance is clear on the total group responses, Table 26, Appendix II.

It can be concluded that measuring market share is independent of all study profiles, and a wide definition of a market is applied for this purpose.

#### Question 4

Thirty four managers handling 50 brands did not answer the question "Is there a special reason for calculating market share on this market figure?", Table 6.2. The respondents suggested the following reasons:-

- 1 "Accuracy."
- 2 "Availability of data".
- 3 "Industry practice".
- 4 "Defining and competing in this market level".
- 5 "Strategic versus tactical planning".
- 6 "Very hard to define the overall market".
- 7 "Assessing market share is not performed as having weak competition".

The respondents who had quoted the last reason in the previous question did the same in the current one, and their scores were dropped from the total. In addition, the low scores of the fifth and sixth reasons caused dropping them. Because the remaining responses were very low and distributed over the rest of the reasons, pooling of all would become vital for performing the significance test. Therefore, the second and third reasons appear in one category, and so do researcher and high management classes, subgroup (iii). The other two reasons, the first and fourth, stand separate as their scores justify that. Although there are slight differences between subgroups, their responses are close to the response pattern of the total group, which shows a significant association with the reasons of selecting the market sales figure.

No significant result in the industry type of brands was discovered, but a quite vital difference between food (i) and motor (iv) existed. The former subgroup was concerned more with the first reason than the joint category of the second and third reasons, while the latter one did exactly the opposite, part A, Table 27, Appendix II. This difference is diminished in part B, by removing the duplication in response and merging the motor subgroup with others, subgroup (iii). Nevertheless, the total group responses in both parts A and B reflect significant results in favour of the first and fourth reasons. The same results for both strata and overall response are found in the nationality of brand profile, Table 28, Appendix II.

If the last two questions are connected together, it can be found that their findings support each other.

Table 6.22

Respondent's management level by reasons of selecting market sales figures

## Brandsgrouping A

	1 <sup>(1)</sup>	2	3	4	5 <sup>(2)</sup>	6 <sup>(2)</sup>	7 <sup>(2)</sup>	9	Total <sup>(3)</sup>
Low management level (i)	9 (10.3)	4 9 (12.4)	5	16 (11.3)	1	3	0	21	34
Middle management level (ii)	13 (11.2)	13 16 (13.4)	3	8 (12.4)	2	2	3	21	37
High management level Researcher (iii)	7 1 8 (8.5)	5 2 11 (10.2)	0 4	5 4 9 (9.3)	0 0	0 0	0 0	3 5	28
Total <sup>(3)</sup>	30 (24.75)	36 24 (24.75)	12 (24.75)	33 (24.75)	3	5	3	50	99

$X^2 = 5.509$

Overall  $X^2 = 10.455$

D.f = 4

D.f = 3

$p > .05$

significant at .05 probability level

## Managers grouping B

	1 <sup>(1)</sup>	2	3	4	5 <sup>(2)</sup>	6 <sup>(2)</sup>	7 <sup>(2)</sup>	9	Total <sup>(3)</sup>
Low management level (i)	7 (7.72)	4 8 (9.64)	4	12 (9.64)	1	1	0	16	27
Middle management level (ii)	7 (6.56)	8 10 (8.22)	2	6 (8.22)	1	2	1	15	23
High management level Researcher (iii)	5 1 6 (5.72)	4 2 7 (7.14)	0 1	3 4 7 (7.14)	0 0	0 0	0 0	2 1	20
Total <sup>(3)</sup>	20 (17.5)	25 18 (17.5)	7 (17.5)	25 (17.5)	2	3	1	34	70

$X^2 = 1.96$

Overall  $X^2 = 9.885$

D.f = 4

D.f = 3

$p > .05$

significant at .05 probability level

(1) The heading numbers represent the quotations mentioned in the text

(2) These columns were dropped in the analysis

(3) The totals do not include the dropped columns and missing value (9)

Table 6.23

Respondent's management level by types of managers responsible for deciding the overall marketing strategy

## Brands grouping A

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub> (1)	9	Total <sup>(2)</sup>
Low management level (i)	14 (21.0)	40 (36.5)	20 (16.5)	14(7)	0	74
Middle management level (ii)	24 (26.4)	46 (45.9)	23 (20.7)	8(6)	0	93
High management level (iii)	11 (9.1)	14 (15.8)	7 (7.1)	6(6)	0	32
Researcher (iv)	16 (8.5)	13 (14.8)	1 (6.7)	8(7)	0	30
Total <sup>(2)</sup>	65	113	51	36(26)	0	229

$$X^2 = 16.174$$

D. f = 6 significant at .05 probability level

## Managers grouping B

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub> (1)	9	Total <sup>(2)</sup>
Low management level (i)	12 (13.7)	30 (28.4)	13 (12.9)	12 (5)	0	55
Middle management level (ii)	13 (14.6)	30 (30.6)	16 (13.8)	6 (4)	0	59
High management level Researcher (iii)	6 5 11 (7.7)	9 6 15 (16.0)	4 1 5 (7.3)	4 (4) 4 (3)	0 0	31
Total <sup>(2)</sup>	36 (48.3)	75 (48.3)	34 (48.3)	26 (16)	0	145

$$X^2 = 3.042$$

D. f = 4  $p > .05$

$$\text{Overall } X^2 = 22.126$$

D. f = 2 significant at .01 probability level

(1) The parenthesizing numbers are combined with V<sub>40</sub>, and 41, while others represent the total of each cell

(2) The tables do not include the dropped scores of V<sub>43</sub>, and missing value

V<sub>40</sub> : Managing director

V<sub>42</sub> : Marketing Manager

V<sub>41</sub> : Marketing director

V<sub>43</sub> : Others

9 : Missing value

## 6.6 Identifying manager's responsibility

### Question 1 "Who decides the overall marketing strategy?"

All respondents replied to this question, and some of them indicated that managers at several different levels were involved in deciding the overall marketing strategy. Hence the number of selected alternatives exceeds the number of respondents, Table 6.23. In addition to providing alternatives, <sup>some</sup> respondents added other ones under the open-ended option designated "other", Table 6.24. Because some of these quotations are similar to the former ones, they are combined together. The first two suggestions are merged with the managing director,  $V_{40}$ , while marketing director,  $V_{41}$  has the second two.

Table 6.24 Respondent's suggestions of other types of managers responsible for deciding the overall marketing strategy

	Brands grouping A	Managers grouping B
1. "Managing and Marketing directors"	5	4
2. "Board of the parent company"	18	9
3. "Divisional manager"	2	2
4. "National sales manager"	1	1
5. "All as a team"	2	2
6. "Brand manager"	6	6
7. "No marketing strategy"	2	2
Total	36	26

The remaining suggestions are eliminated from the total score as their nature and marginal scores preclude including them. All managerial subgroups confirmed that the marketing director's position, alternative  $V_{41}$ , which got the highest score of all (113 out of 229 mentions in part A), has a vital role in this planning level, while they disagreed about the other two positions. Low and middle management levels (i and ii) sustained marketing manager,  $V_{42}$ , more than managing director  $V_{40}$ , while high management level and researcher (iii and iv in part A) did the opposite. These differences appear in part B, but to a less extent

as the latter two subgroups are merged together, and remove the duplication in response. Therefore, a significant result between strata is found in part A only, whereas the total group response in part B reveals a highly significant one in favour of the marketing director (41).

By generalizing these findings to the whole study population, it can be concluded that the marketing director is mainly responsible for deciding the overall marketing strategy, and the role of other managers is perceived differently by management levels which were under investigation.

A highly significant result in part A, and similar results to the previous ones in part B are found in the nationality of brand profile, Table 29, Appendix II. Although marketing director,  $V_{41}$ , remained the most preferable alternative according to the total group response, foreign respondents were in favour of managing director,  $V_{40}$ , more than the other two ( $V_{41}$  and  $V_{42}$ ), while the British did the opposite, part A. However, these differences are diminished in part B, and occur between alternatives 40 and 42, by which it can be concluded that foreign companies operating in the UK market are directed by their head office abroad.

In spite of slight differences between respondents classified by industry types, no significant result is found, Table 30, Appendix II. However, the total group response reveals a highly significant association with the managers responsible for deciding the overall marketing strategy in favour of the marketing director (41).

#### Question 2 "Who develops the product/brand marketing plan?"

All respondents answered this question, and some of them selected multiple choices and suggested others, Table 6.25. These suggestions appear with their scores for each response grouping type in Table 6.26.

Table 6.25

Respondent's management level by managers developing the product/  
brand marketing plan

## Brands grouping A

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	3 (11.1)	14 18 (28.1)	4	54 (35.8)	4 (4)	0	75
Middle management level (ii)	17 (14.5)	35 38 (36.8)	3	43 (46.7)	9 (9)	0	98
High management level Researcher (iii)	8 4 (6.4)	14 11 25 (16.1)	0 0	3 3 6 (20.5)	1 (1) 2 (2)	0 0	43
Total <sup>(2)</sup>	32	81		103	16 (16)	0	216

$$X^2 = 39.633$$

D. f = 4 significant at .01 probability level

## Managers grouping B

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	3 (9.3)	11 14 (19.6)	3	40 (28.1)	3 (3)	0	57
Middle management level (ii)	11 (10.2)	23 25 (21.7)	2	27 (31.1)	4 (4)	0	63
High management level Researcher (iii)	6 4 (4.5)	8 4 12 (9.7)	0 0	3 3 6 (13.8)	1 (1) 2 (2)	0 0	28
Total <sup>(2)</sup>	24	51		73	10(10)	0	148

$$X^2 = 23.69$$

D. f = 4 significant at .01 probability level

(1) The whole score of V<sub>48</sub> is transferred to V<sub>44</sub> and V<sub>46</sub>

(2) The totals do not include the missing value

V<sub>44</sub> : Marketing director      V<sub>47</sub> : Brand manager

V<sub>45</sub> : Marketing manager      V<sub>48</sub> : Others

V<sub>46</sub> : Sales manager      9 : Missing value

Table 6.26 Some Respondents' suggestions of other types of managers responsible for developing the product/brand marketing plan

	Brands grouping A	Managers grouping B
1. "Parent Company"	5	3
2. "UK Manager"	5	3
3. "Product group manager"	5	3
4. "Advertising manager"	1	1
Total	16	10

The first two suggestions are appended to the marketing director  $V_{44}$ , as they reveal high management level. Meanwhile, sales manager  $V_{46}$ , is pooled with the second two suggestions as reflecting specific marketing functions. This action does not make the score of alternative  $V_{46}$  to be suitable for the significance test, and thus it has to be pooled with marketing manager  $V_{45}$ . For the same reason, researcher and high management classes are shown in one subgroup (iii). Discernible differences between subgroups occurred. Low management level (i) indicated that brand manager,  $V_{47}$ , is more responsible for this duty than other managers, while middle and high management levels (ii and iii) did the opposite. Therefore a highly significant relationship between management levels and the type of manager in charge of developing the product/brand marketing plan is clear.

Classifying responses by industry types showed a significant result in part A, Table 31, Appendix II. The Food subgroup (i) nominated the brand manager,  $V_{47}$ , more than marketing director,  $V_{44}$ , while in subgroup (iii) household products, motor and pharmaceutical, the reverse was found.

However, drink subgroup (ii) stated that the latter joint group of managers is the least favourable one of all. These differences were lessened in part B by removing the duplication in response, and thus no significant result between strata is found. Meanwhile, total group response reflects a high significance in favour of brand manager,  $V_{47}$ .

Table 32, Appendix II illustrates the responses classified by nationality, in which foreign respondents remain preferring the first two alternatives (44 and 45/46) more than brand manager  $V_{47}$ , at this planning level, while the British shows the opposite. Therefore a significant result between strata is found in part A only, while the overall response in part B indicates a highly significant one in favour of brand manager,  $V_{47}$ .

Despite the differences between subgroups in the last two questions, the general response pattern indicates that low management level becomes more involved in the latter marketing planning than the first, and the opposite is right for other levels.

Question 3 "Who is responsible for implementing the product/brand marketing plan?"

Some of the respondents suggested specific and/or a combination of managers under the open-ended option designated "others" Table 6.27.

Table 6.27 Respondent's suggestions of other managers responsible for implementing the product/brand marketing plan

	Brands grouping	Managers grouping
	A	B
1. "Marketing and sales managers"	11	6
2. "Regional and product managers"	1	1
3. "Product group manager"	1	1
4. "Marketing committee"	1	1
5. "UK Manager"	1	1
Total	15	10

The first three quotations symbolise a functional manager's position which is identified by providing an alternative,  $V_{50}$  and thus they are pooled together, Table 6.28. Meanwhile, the remaining two quotations that clarify a high manager's position have been discarded as having very low scores and different natures from the others. Although brand manager,  $V_{49}$  had a higher score than functional manager,  $V_{50}$ , on the grand total (124 out of 174 points in part A), high management level (iii) and researcher (iv) were less likely to accept that than low management level (i). So that highly significant results are clear in both response grouping types A and B.

Table 33 Appendix II, exposes the score of each alternative according to the industry type profile. Brand manager,  $V_{49}$ , seems to be more acceptable than functional manager,  $V_{50}$ , in all subgroups except the motor industry (iv). The latter subgroup influences the response of subgroup (iii), household products and motor, when they are merged together in part B. Again, a highly significant relationship between industry types and managers in charge of implementing the product/brand marketing plan is found.

Stratifying responses by nationality of product/brand indicated that <sup>in</sup> foreign companies, the functional manager is more responsible for executing the product/brand marketing plan than the brand manager. The opposite is found in the British companies, Table 34, Appendix II. The result is significant.

#### 6.7 Discovering respondent's attitudes

##### Question 1 - Statement a

All respondents expressed their attitudes about the statement "marketing's biggest contribution to a successful organization's financial performance is to meet its market share objective"; Table 6.29. The extreme points on the scale have had a very low score, particularly "strongly agree", so that

Table 6.28

Respondent's management level by type of managers responsible for implementing the product/brand marketing plan

## Brands grouping A

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	58 (44.2)	4 (17.8)	1 (1)	0	62
Middle management level (ii)	53 (52.8)	21 (21.2)	6 (6)	0	74
High management level (iii)	11 (13.5)	8 (5.5)	1 (0)	0	19
Researcher (iv)	2 (13.5)	17 (5.5)	7 (6)	0	19
Total <sup>(2)</sup>	124	50	15 (13)	0	174

$$X^2 = 30.452$$

D.f = 3 significant at .01 probability level

## Managers grouping B

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub> <sup>(1)</sup>	9	Total <sup>(2)</sup>
Low management level (i)	44 (36.3)	4 (11.7)	1 (1)	0	48
Middle management level (ii)	33 (34.0)	12 (11.0)	4 (4)	0	45
High management level Researcher (iii)	8 2 10 (16.7)	5 7 12 (5.3)	1 (0) 4 (3)	0 0	22
Total <sup>(2)</sup>	87	28	10 (8)	0	115

$$X^2 = 17.979$$

D.f = 2 significant at .01 probability level

(1) The numbers in the parenthesis, are pooled with V<sub>50</sub> and the other numbers represent the total score of each cell

V<sub>49</sub> : Brand manager

V<sub>50</sub> : Functional manager

V<sub>51</sub> : Others

9 : Missing value

Table 6.29

Respondent's management level by the contribution of market share objective towards the organization's financial objectives

Brandsgrouping A

	Strongly Disagree	Disagree	Uncertain (1)	Agree	Strongly Agree	9	Total	Weighted Average
Low management level (i)	10 (9.9)	30 (26.2)	4 (5.9)	15 15 (17.0)	0	0	59	-0.593
Middle management level (ii)	13 (11.0)	31 (28.8)	6 (6.5)	13 15 (18.7)	2	0	65	-0.615
High management level Researcher (iii)	3 1 4 (6.1)	8 2 10 (16.0)	1 5 6 (3.6)	6 7 16 (10.3)	2 1	0 0	20 16 36	-0.2 +0.313
Total	27 (32.0)	71 (32.0)	16 (32.0)	46 41 5 (32.0) (32.0)	0	0	160	-0.463

$$X^2 = 10.429$$

$$D.f = 6$$

$$p \geq .05$$

$$X^2 = 8.201$$

$$D.f = 4$$

$$p > .05 \text{ (excluding uncertain category)}$$

$$\text{Overall } X^2 = 81.624$$

$$D.f = 4$$

$$\text{significant at } .01 \text{ probability level}$$

Managers grouping B

	Strongly Disagree	Disagree	Uncertain (1)	Agree	Strongly Agree	9	Total	Weighted Average
Low management level (i)	9 33 (28.4)	24	3	9 9 (13.6)	0	0	42	-0.733
Middle management level (ii)	9 26 (26.4)	17	3	11 13 (12.6)	2	0	39	-0.476
High management level Researcher (iii)	2 1 10 (14.2)	5 2	1 1	4 4 11 (6.8)	2 1	0 0	13 8 21	-0.071 +0.22
Total	69 21 (22.0)	48 (22.0)	8 (22.0)	33 28 5 (22.0) (22.0)	0	0	102	-0.473

$$X^2 = 6.156$$

$$D.f = 2$$

$$p > .05$$

$$\text{Overall } X^2 = 54.454$$

$$D.f = 4$$

$$\text{significant at } .01 \text{ probability level}$$

(1) This column has been dropped from the  $X^2$  test but is included in the Weighted average

one or both of them are pooled with their counterpart categories in both response grouping types. Also, researcher class is merged with high management level, subgroup (iii). Considerable differences between management subgroups can be observed, the latter subgroup agreed with this statement more than other subgroups. Thus, the result in part A is close to a significant level, while part B reveals a significant one as having more merging of the cells. Meanwhile, a highly significant result becomes clear on the total group response, mainly in favour of "disagree" category. For implementing the scaling technique, the weighted average of each subgroup and the total response were calculated after assigning<sup>a</sup> specific weight to each item of the attitude scale. Negative scores were given to the disagree categories (-2 = strongly disagree; -1 = disagree), while the agree categories had the same scores but with positive signs. "Uncertain" category had to be neglected in this type of scaling, and thus "0" score was fixed to it (Moser and Kalton 1971; 361-366). The calculation indicates that all management subgroups except researcher hold negative attitudes toward this statement, particularly low and middle management levels. It can be concluded that although management subgroups have different attitudes about the contribution of market share objective, the general pattern of response indicates that this objective is not the biggest contribution of the marketing division towards an organization's financial performance.

Classifying respondents by industry types shows that subgroups' responses are closely grouped, except for household products and motor industries (iii) and there is general disagreement with the statement in the question that 'Marketing's biggest contribution to a successful organisation's financial performance is to meet its market share objective'. The same findings can be seen in the weighted averages of each subgroup and the total group. Table 35, Appendix II. Therefore a non significant result between subgroups is found, while the total group response reveals a highly significant one. Moreover, the relation between subgroups classified by nationality of brand and this statement is not significant, especially in managers grouping B, in spite of slight variances between them, Table 36, Appendix II.

However the total group response identifies a highly significant result in favour of "disagree" category. In addition, the total weighted average declares a negative attitude towards this statement, which reflects the attitudes of both subgroups, particularly the British one (i).

The sort of attitudes expressed by the respondents according to all three profiles, is consistent with the selection of marketing division objective discussed previously, question 2 - section 2 of this chapter.

Question 1 Statement b                    "For overall marketing strategy. Dividing the market into submarkets is essential for designing the marketing strategy".

One of the two managers who had commented "segmentation is not used" in question 2 Section 3, did so in this statement and the succeeding one, while the other one was uncertain, Table 6.30. All other respondents participated in answering this statement, but no one of them chose the "strongly disagree" category. No discernible differences between subgroups are noted, particularly in group B, and the overall response summarises the subgroups responses and shows a major agreement with this statement. The weighted average column indicates that all subgroups reacted positively toward this statement. Researcher class was the most in favour of all, while the lowest one was middle management. Therefore, a non significant result between strata is found, while a highly significant one becomes clear in the total group response.

The respondents classified by industry types focussed on the "agree" category, therefore merging the subgroups has become vital for performing the significance test. Drink and food industries are shown together in subgroup (i) and so it is done with other subgroups (ii), Table 37, Appendix II. Again a non significant result between strata is found, while the total group response indicates a highly significant one. Positive attitudes were expressed by all subgroups, particularly drink and motor industries. Moreover, the same results were found in the nationality of respondents, Table 38, Appendix II. Although both types of subgroups had a positive attitude, foreign companies (ii) seemed to be more agreed with the statement than the British (i).

Table 6.30

Respondent's management level by the necessity of dividing the market into submarkets for designing the overall marketing strategy

## Brands grouping A

	Com-ments	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total <sup>(1)</sup>	Weighted Average
Low management level (i)	0	7 (9.3)	9 (6.6)	28 (28.6)	15 (14.5)	0	59	+0.864
Middle management level (ii)	1	16 (10.0)	5 (7.3)	27 (31.0)	16 (15.7)	0	64	+0.672
High management level Researcher	0 0	2 0	4 0	11 11	3 5	0 0	36	+0.75 +1.313
(iii)		2 (5.7)	4 (4.1)	22 (17.4)	8 (8.8)			
Total (1)	1	25 (39.75)	18 (39.75)	77 (39.75)	39 (39.75)	0	159	+ .818

$$X^2 = 10.012$$

$$D.f = 6$$

$$p > .05$$

$$X^2 = 7.817$$

$$D.f = 4$$

$$p > .05 \text{ (excluding uncertain category)}$$

$$\text{Overall } X^2 = 52.294$$

$$D.f = 3$$

$$\text{significant at } .01 \text{ probability level}$$

## Managers grouping B

	Com-ments	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total <sup>(1)</sup>	Weighted Average
Low management level (i)	0	6 (6.2)	6 (5.0)	20 (22.3)	13 (11.5)	0	45	+0.889
Middle management level (ii)	1	8 (5.6)	4 (4.5)	21 (20.3)	8 (10.6)	0	41	+0.707
High management level Researcher	0 0	1 0	2 0	9 4	2 5	0 0	23	+0.857 +1.556
(iii)		1 (3.2)	2 (2.5)	13 (11.4)	7 (5.9)			
Total (1)	1	15 (27.25)	12 (27.25)	54 (27.25)	28 (27.25)	0	109	+0.872

$$X^2 = 4.43$$

$$D.f = 6$$

$$p > .05$$

$$X^2 = 3.92$$

$$D.f = 4$$

$$p > .05 \text{ (excluding uncertain category)}$$

$$\text{Overall } X^2 = 40.321$$

$$D.f = 3$$

$$\text{significant at } .01 \text{ probability level}$$

(1) The totals do not include the comment column

Question 1 Statement c

"For a product/brand marketing plan. Dividing the market into submarkets is essential for designing the product/brand marketing plan"

Based on the whole participation of respondents, similar attitudes to those in the previous statement with a slight shift towards "strongly agree" category were identified, Tables 6.31, 39 and 40 (see Appendix II for the last two tables). Moreover, the norm of subgroups responses in all three profiles is so close to the total group response which shows a highly significant result in favour of "agree" and "strongly agree" categories. Although positive attitudes are expressed in the last two statements, the total weighted average becomes slightly higher in the latter statement than in the former. It can be concluded that dividing the market into submarkets is important for both planning levels with a little more emphasis on the product/brand planning level, about which questions 3 and 4 of section 6.4 failed to provide enough data.

Question 1 Statement d

Nine managers handling 16 brands refused to view the statement "the higher a manager is in his organization, the wider will be his definition of the market, for assessing market share", Table 6.32. Meanwhile the extreme points, "strongly agree" and "strongly disagree", did not get quite enough scores to be left separate in the analysis, and thus they would be pooled with other points "agree" and "disagree". Although slight differences between strata occurred, their response patterns are close to the norm of the total group response which shows a highly significant result in favour of "agree" and "disagree" categories. In spite of a low negative weighted average of the total group, slight differences between management levels are obvious. Low management level (i) in both response grouping types reacted negatively, while the opposite was correct for high management level.

Table 6.31

Respondent's management level by the necessity of dividing the market into submarkets for designing the product/brand marketing plan

## Brands grouping A

	Comments (1)	Strongly Disagree	Dis- agree	Un- certain	Agree	Strongly Agree	9	Total <sup>(2)</sup>	Weighted Average
Low management level (i)	0	0	8 (8.2)	9 (5.9)	25 (26.7)	17 (18.2)	0	59	+0.869
Middle management level Researcher	1 0	0 0	10 0 10	5 0 5	27 10 (36.2)	22 6 28	0 0	80	+0.953 +1.375
(ii)			(11.0)	(8.1)	(36.2)	(24.7)			
High management level (iii)	0	0	4 (2.8)	2 (2.0)	10 (9.1)	4 (6.1)	0	20	+0.7
Total <sup>(2)</sup>	1	0	22 (39.75)	16 (39.75)	72 (39.75)	49 (39.75)	0	159	+0.931

$$X^2 = 4.883$$

D.f = 6

$$p > .05$$

$$X^2 = 3.173$$

D.f = 4

$$p > .05$$
 (combining disagree and uncertain categories)

$$\text{Overall } X^2 = 50.434$$

D.f = 3

$$\text{significant at } .01 \text{ probability level}$$

## Managers grouping B

	Comments (1)	Strongly Disagree	Dis- agree	Un- certain	Agree	Strongly Agree	9	Total <sup>(2)</sup>	Weighted Average
Low management level (i)	0	0	7 (5.8)	6 (5.0)	19 (19.8)	13 (14.4)	0	45	+0.844
Middle management level (ii)	1	0	5 (5.3)	5 (4.5)	18 (18.0)	13 (13.2)	0	41	+0.951
High management level Researcher	0 0	0 0	2 0 2	1 0 1	8 3 11	3 6 9	0 0	23	+0.857 +1.667
(iii)			(2.9)	(2.5)	(10.2)	(7.4)			
Total <sup>(2)</sup>	1	0	14 (27.25)	12 (27.25)	48 (27.25)	35 (27.25)	0	109	+0.954

$$X^2 = 2.28$$

D.f = 6

$$p > .05$$

$$X^2 = 2.099$$

D.f = 4

$$p > .05$$
 (combining disagree and uncertain categories)

$$\text{Overall } X^2 = 32.981$$

D.f = 3

$$\text{significant at } .01 \text{ probability level}$$

(1) This column was dropped from the analysis

(2) The totals do not include the dropped comment column and missing value (9)

Table 6.32

Respondent's management level by defining the market for assessing market share

Brands grouping A

	Strongly Disagree	Disagree	Un-certain	Agree	Strongly Agree	9 <sup>(1)</sup>	Total	Weighted Average
Low management level (i)	6 (22.1)	19	10 (9.6)	18 (21.3)	0	6	53	- 0.245
Middle management level (ii)	4 (25.0)	19	9 (10.8)	23 (24.2)	5	5	60	+ 0.1
High management level Researcher (iii)	0 (12.9)	6	4 (5.6)	9 (12.5)	0 1	1 4	31	+ 0.158 - 0.167
Total	10 (28.8)	60 (28.8)	26 (28.8)	52 (28.8)	6 (28.8)	16	144	- 0.042

$\chi^2 = 2.399$

D.f = 4

$p > .05$

Overall  $\chi^2 = 64.889$

D.f = 4

significant at .01 probability level

Managers grouping B

	Strongly Disagree	Disagree	Un-certain	Agree	Strongly Agree	9 <sup>(1)</sup>	Total	Weighted Average
Low management level (i)	4 (17.9)	17	8 (8.5)	12 (14.6)	0	4	41	- 0.317
Middle management level (ii)	4 (17.0)	12	8 (8.1)	12 (13.9)	3	3	39	- 0.051
High management level Researcher (iii)	0 (9.1)	5	2 (4.4)	6 (7.5)	0 1	1 1	21	+ 0.077 + 0.25
Total	8 (20.2)	44 (20.2)	21 (20.2)	32 (20.2)	4 (20.2)	9	101	- 0.119

$\chi^2 = 2.043$

D.f = 4

$p > .05$

$\chi^2 = 1.99$

D.f = 2

$p > .05$  (excluding uncertain category)

Overall  $\chi^2 = 39.643$

D.f = 4

significant at .01 probability level

(1) This column is not included in the totals

Meanwhile, middle management class (ii) voted positively in group A and negatively in group B, while the research subgroup did the reverse. If brand grouping B is considered to represent the manager's attitudes more adequately than group A, a positive attitude will be attributed to the latter class and a negative one to the middle level. Based on this result and on the large score of "uncertain" category, it can be concluded that there is no association between management levels and defining the market for assessing market share level. When responses are analysed by industry considerable differences between the subgroups become more obvious, Table 41, Appendix II. Food and drink industries (i and ii) were more in agreement with the statement than other subgroup (iii). While, the result of the significance test is close to the 5% confidence level in part A, it becomes more significant in part B through removing the duplication in response.

The finding of this statement confirms questions 3 and 4 of section 6.4, which shows that defining the market of a given product is not affected by the management levels concerned.

Question 2 "How important do you think the market share objectives are for a product at different stages in its product life cycle?"

Two respondents handling 6 brands refused to disclose their attitudes about this statement, while a few respondents commented "Don't accept product life concept", Tables 6.33-36. The latter respondents would be excluded as well as those in "Don't know" category as their scores were not sufficient to perform the chi-square

**Table 6.33 Industry type of brand by the importance of market share objective in the introduction stage of product life cycle**

## Brands grouping A

	Comments (1)	Don't know (1)	Not at all important	Not very important	Im- portant	Very im- portant	9	Total (2)	Weighted Average
Food (i)	6	3	2	12	25	22	3	61	3.953
			14 (12.9)		(22.3)	(25.8)			
Drink, tobacco (ii)	1	1	4	3	11	9	3	27	3.821
			7 (5.7)		(9.9)	(11.4)			
Household products	0	2	1	5	1	7	0		3.625
Motor	0	0	1	2	8	7	0		3.722
Pharmaceutical	0	0	0	0	7	15	0		4.682
			9 (11.4)		16 (19.8)	29 (22.8)		54	
Total (2)	7	6	8 (35.5)	22 (35.5)	52 (35.5)	60 (35.5)	6	142	4.027

$$X^2 = 4.824$$

$$D.f = 4$$

$$p > .05$$

$$\text{Overall } X^2 = 51.014$$

$$D.f = 3$$

significant at .01 probability level

## Managers grouping B

	Comments (1)	Don't know (1)	Not at all important	Not very important	Im- portant	Very Im- portant	9	Total (2)	Weighted Average
Food (i)	2	1	1	7	15	14	1	37	4.053
			8 (8.7)		(12.3)	(16.0)			
Drink, tobacco (ii)	1	1	4	3	7	8	1	22	3.739
			7 (5.2)		(7.3)	(9.5)			
Household products	0	2	1	5	1	6	0		3.533
Motor	0	0	1	2	5	4	0		4.0
Pharmaceutical	0	0	0	0	6	12	0		4.667
			9 (10.1)		12 (14.4)	22 (18.5)		43	
Total (2)	3	4	7 (25.5)	17 (25.5)	34 (25.5)	44 (25.5)	2	102	4.009

$$X^2 = 2.953$$

$$D.f = 4$$

$$p > .05$$

$$\text{Overall } X^2 = 32.51$$

$$D.f = 3$$

significant at .01 probability level

Comments: "Don't accept the product life cycle"

9 = missing value

(1) These columns are not included in the analysis

(2) The totals do not include the dropped columns and missing value

Table 6.34 Industry type of brand by the importance of market share objective in the growth stage of product life cycle

## Brands grouping A

	Com-ments	Don't know	Not at all important	Not very important	Im- portant	Very im- portant	9	Total (I)	Weighted Average
Food	6	3	0	9	18	34	3		4.25
Drink, tobacco	1	1	0	1	10	16	3		4.429
$F_{92}(x)$ (i)		$\frac{4}{92}$	$\frac{4}{92}$	$\frac{14}{92}$	$\frac{42}{92}$	$\frac{92}{92}$		92	
Household products	0	1	0	1	6	8	0		4.25
Motor	0	0	0	0	12	6	0		4.333
Pharmaceutical	0	0	0	0	8	14	0		4.636
$F_{56}(x)$ (ii)		$\frac{1}{56}$	$\frac{1}{56}$	$\frac{2}{56}$	$\frac{28}{56}$	$\frac{56}{56}$		56	
$F_{92}(x) - F_{56}(x)$		0.026	0.026	0.116	-0.043	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{148}(x)$	7	$\frac{5}{148}$	$\frac{5}{148}$	$\frac{16}{148}$	$\frac{70}{148}$	$\frac{148}{148}$	6	148	4.351
$F_0(x) - F_{148}(x)$		0.166	0.366	0.492	0.327				

$$D = .116$$

$$D_{H0} = .231$$

$$p > .05$$

$$\text{Overall } D = 0.492$$

$$D_{H0} = .134$$

significant at .01 probability level

./.

Table 6.34 Contd/.

## Managers grouping B

	Com- ments	Don't know	Not at all important	Not very important	Im- portant	Veryim- portant	9	Total (1)	Weighted Average
Food	2	1	0	5	9	23	1		4.395
Drink, tobacco	1	1	0	1	8	13	1		4.391
$F_{61}(x)$ (i)		$\frac{2}{61}$	$\frac{2}{61}$	$\frac{8}{61}$	$\frac{25}{61}$	$\frac{61}{61}$		61	
Household products	0	1	0	1	6	7	0		4.2
Motor	0	0	0	0	9	3	0		4.25
Pharmaceutical	0	0	0	0	6	12	0		4.667
$F_{45}(x)$ (ii)		$\frac{1}{45}$	$\frac{1}{45}$	$\frac{2}{45}$	$\frac{23}{45}$	$\frac{45}{45}$		45	
$F_{61}(x) - F_{45}(x)$		.011	.011	.087	-.101	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{106}(x)$	3	$\frac{3}{106}$	$\frac{3}{106}$	$\frac{10}{106}$	$\frac{48}{106}$	$\frac{106}{106}$	2	106	4.396
$F_0(x) - F_{106}(x)$		0.172	0.372	0.506	0.347	0			

$$D = -.101$$

$$D_{H0} = .267$$

$$p > .05$$

$$\text{Overall } D = .506$$

$$D_{H0} = .158$$

significant at .01 probability level

Comments: "Don't accept the product life cycle"

9 = missing value

(1) The totals do not include the comments and missing value

Table 6.85 Industry type of brand by the importance of market share objective in the maturity stage of product life cycle

## Brands grouping A

	Com-ments	Don't know	Not at all important	Not very important	Im- portant	Very im- portant	9 <sub>(1)</sub>	Total (1)	Weighted Average
Food	6	3	3	7	28	23	3		4.016
Drink, tobacco	1	1	0	3	7	17	3		4.393
$F_{92}(x)$ (i)		$\frac{4}{92}$	$\frac{7}{92}$	$\frac{17}{92}$	$\frac{52}{92}$	$\frac{92}{92}$		92	
Household products	0	1	0	1	8	6	0		4.125
Motor	0	0	0	0	11	7	0		4.0
Pharmaceutical	0	0	0	1	16	5	0		4.182
$F_{56}(x)$ (ii)		$\frac{1}{56}$	$\frac{1}{56}$	$\frac{3}{56}$	$\frac{38}{56}$	$\frac{56}{56}$		56	
$F_{92}(x) - F_{56}(x)$		0.026	0.058	0.131	-0.114	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{148}(x)$	7	$\frac{5}{148}$	$\frac{8}{148}$	$\frac{20}{148}$	$\frac{90}{148}$	$\frac{148}{148}$	6	148	4.169
$F_0(x) - F_{148}(x)$		0.166	0.346	0.465	0.192	0			

$$D = .131$$

$$D_{H0} = .23$$

$$p > .05$$

$$\text{Overall } D = .465$$

$$D_{H0} = .134$$

significant at .01 probability level

./.

Table 6.3 contd/.

## Managers grouping B

	Com- ments	Don't know	Not at all important	Not very important	Im- portant	Very im- portant	9	Total (1)	Weighted Average
Food	2	1	2	4	17	14	1		4.079
Drink, tobacco	1	1	0	3	6	13	1		4.304
$F_{61}(x)$ (i)		$\frac{2}{61}$	$\frac{4}{61}$	$\frac{11}{61}$	$\frac{34}{61}$	$\frac{61}{61}$		61	
Household products	0	1	0	1	8	5	0		4.067
Motor	0	0	0	0	6	6	0		4.5
Pharmaceutical	0	0	0	1	13	4	0		4.167
$F_{45}(x)$ (ii)		$\frac{1}{45}$	$\frac{1}{45}$	$\frac{3}{45}$	$\frac{1}{45}$	$\frac{45}{45}$		45	
$F_{61}(x) - F_{45}(x)$		0.011	0.044	0.113	-0.110	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{106}(x)$	3	$\frac{3}{106}$	$\frac{5}{106}$	$\frac{14}{106}$	$\frac{64}{106}$	$\frac{106}{106}$	2	106	4.189
$F_0(x) - F_{106}(x)$		0.172	0.353	0.468	0.196	0			

$$D = 0.113$$

$$D_{H0} = .267$$

$$p > .05$$

$$\text{Overall } D = 0.468$$

$$D_{H0} = 0.158$$

significant at .01 probability level

Comments: "Don't accept the product life cycle"

9 = missing value

(1) The totals do not include the comments and missing value

Table 6.36 Industry type of brand by the importance of market share objective in the decline stage of product life cycle

Brands grouping A

	Com- ments	Don't know	Not at all important	Not very important	Im- portant	VeryIm- portant	9	Total (1)	Weighted Average
Food (i)	6	5	9 32 (32.7)	23	16 27 (26.3)	11	3	59	3.297
Drink, tobacco (ii)	1	3	2 14 (13.8)	12	6 11 (11.2)	5	3	25	3.286
Household products (iii)	0	1	2 8 (8.3)	6	3 7 (6.7)	4	0	15	3.437
Motor (iv)	0	0	1 10 (10.0)	9	4 8 (8.0)	4	0	18	3.611
Pharmaceutical (v)	0	0	3 13 (12.2)	10	5 9 (9.8)	4	0	22	3.454
Total	7	9	77 17 (34.75)	60 (34.75)	62 34 (34.75)	28 (34.75)	6	139	3.372

$$\chi^2 = 0.182$$

$$D.f = 4$$

$$p > .05$$

$$\text{Overall } \chi^2 = 28.741$$

$$D.f = 3$$

significant at .01 probability level

./.

Table 6.36 contd/.

## Managers grouping B

	Com- ments	Don't know	Not at all important	Not very important	Im- portant	Very im- portant	9	Total (1)	Weighted Average
Food (i)	2	2	6	12	11	7	1	36	3.395
Drink, tobacco (ii)	1	3	2	9	4	5	1	20	3.261
Household products (iii)	0	1	2	6	2	4	0	14	3.4
Motor (iv)	0	0	1	4	4	3	0	12	3.75
Pharmaceutical (v)	0	0	1	9	5	3	0	18	3.555
Total	3	6	12	40	26	22	2	100	3.434
			(25.0)	(25.0)	(25.0)	(25.0)			

$$X^2 = 0.827$$

$$D.f = 4$$

$$p > .05$$

$$\text{Overall } X^2 = 16.16$$

$$D.f = 3$$

significant at .01 probability level

Comments: "Don't accept the product life cycle"

9 = missing value

(1) The totals do not include the comments and missing value

significance test. Meanwhile, the low scores of "Not at all important" and "Not very important" categories caused them to be merged together in the first and last stages of the cycle. As they become much lower in the other two stages, the Kolmogorov-Sminov test was applied instead of the  $X^2$  test. In general, the response patterns of industry subgroups were so close to the total group response, and thus a non significant result between strata was found in the four stages, while a highly significant result became obvious in the latter response. However, the significance in the first three stages, particularly the second and third ones, is in favour of "important" and "very important" categories, while it is in favour of "Not very important" in the last one. It can be concluded that market share objectives are more important in the second and third stages than the first one.

Although slight differences between management subgroups occurred at each stage of the cycle, their response patterns cannot be differentiated from the total group response, and thus the same significant results are found as in the previous profile, Tables 43-46, Appendix II. Furthermore, respondents classified by the nationality profile show the same attitudes, and so the total group response reveals a highly significant result in favour of the importance of market share objectives at the first three stages, Tables 47-50, Appendix II.

The results of the scaling technique confirm the similarity of subgroups attitudes in all profiles. Growth stage of product life cycle has the highest weighted average of the aggregate response, while the decline stage got the lowest one.

According to student t test, a significant result was also found in respect of the importance of market share objective in the maturity stage of a product's life cycle, Table 51, Appendix II. Two managerial subgroups were established and compared against each other. The first subgroup including low, middle management levels and researcher rated market share objective much more

important at this stage than the second subgroup (high management level). The other two study profiles, nationality and industry type of brands did not reveal such result. This result is the only significant one found based on this significance test since the nature of the collected data, which is ordinal type, would not fit the requirements of this test.

The findings of this question supports the previous ones which have already been discussed in questions 5a and b, section 6.3 of this chapter.

## CHAPTER SEVEN

### COMPARISON OF THE STUDY FINDINGS WITH THE HYPOTHESES

## 7.1 Introduction

The major emphasis of this thesis has been directed towards a descriptive study of the application of market share objective in companies with high advertising expenditures in the UK market. The basic objective of the study has been to discover the brand manager's various practices in relation to the study hypotheses. It should be emphasised at this point that the present study does not cover either the whole of companies within the UK market, nor the companies operating in the industrial, and service sectors. Therefore, the findings can only be related to the beliefs and experience of those managers of fast moving or durable consumer products.

The purpose of presenting this chapter is to interpret the data that represents the bulk of this text within the context of the study hypotheses. Thus, each one of the hypotheses will be dealt with individually.

## 7.2 The first hypothesis - The place of market share objectives in the marketing plannings

The study indicates that market share objective is used with other objectives at various marketing planning levels, however, the extent of relying on it varies within these levels. At the corporate marketing strategy level, market share objective obtained 13.7% of the total score compared with 46.9% for company profit and 26.1% for rate of return on capital employed, Table 7.1.

Great differences in applying these objectives were reflected by the respondent's management levels, junior management subgroup (i) gave more weight to profit objective than others (7.5% market share; 64.2% company net profit; and 20.8% rate of return on capital). Share objectives became increasingly employed at senior managerial level and researcher

Table 7.1 Respondent's management level by company's overall marketing objectives

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub>	9	Total
Low management level (i)	5 7.5%	5 7.5%	43 64.2%	14 20.8%	0	0	67 100.0%
Middle management level (ii)	12 12.6%	13 13.7%	41 43.2%	29 30.5%	4	0	95 100.0%
High management level Researcher (iii)	4 16.7%	4 16.7%	8 33.3%	8 33.3%	0	2	24 100.0%
	8 32.0%	6 24.0%	7 28.0%	4 16.0%	1	0	25 100.0%
	12 24.5%	10 20.4%	15 30.6%	12 24.5%			49 100.0%
Total	29 13.7%	28 13.3%	99 46.9%	55 26.1%	5	2	211 100.0%

$X^2 = 18.667$

D.f = 6 significant at .01 probability level

V<sub>1</sub> = To increase market share

V<sub>4</sub> = To achieve a target rate of return on capital employed

V<sub>2</sub> = To increase sales volume

V<sub>5</sub> = Other

V<sub>3</sub> = To increase company profit

9 = Missing Value

subgroup (iii), at which market share hold, 24.5% of its total score, while company net profit and rate of return had 30.6% and 24.5% respectively. Therefore, a highly significant relationship between the managerial profile and the application of market share objective is clear. This finding was also discovered in the Industry type of brand profile (group A), and the combined total response of group B in all profiles (Chapter 6).

The pattern shows some relationship between the statement of marketing objectives and management level; with market share objectives scoring less well as the managerial level increased.

Table 7.2. Market share objective got almost equal percentage of the total score to the sales, and gross profit objectives (30.9%, share objective; 30.9%, sales; and 31.7%, profit), while the rate of return on capital acquired the lowest percentage of response (6.5%). A highly significant result in favour of the first three objectives was found at this marketing planning level.

Consequently, the study confirms what was proposed about the legitimate application of market share objective at the departmental level rather than at the corporate one (Foster, 1972; 71 and Argenti, 1969; 26).

Table 7.2 Respondent's management level by product/brand marketing objectives

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub>	9	Total
Low management level			33 40.7%	3 3.7%			
(i)	24 29.7%	21 25.9%	36 44.4%		0	0	81 100.0%
Middle management level			31 33.3%	5 5.4%			
(ii)	28 30.1%	29 31.2%	36 38.7%		1	0	93 100.0%
High management level			9 29.0%	3 9.7%			
(iii)	11 35.5%	8 25.8%	12 38.7%		0	2	31 100.0%
Researcher			0 0	4 16.0%			
(iv)	8 32.0%	13 52.0%	4 16.0%		0	0	25 100.0%
Total			88 38.2%	15 6.5%			
	71 30.9%	71 30.9%	73 31.7%		1	2	230 100.0%

$$X^2 = 8.714 \quad D.f = 6 \quad p > .05$$

Overall  $X^2 = 41.929$  D.f = 3 Significant at .01 probability level

V<sub>11</sub> = To increase market share

V<sub>12</sub> = To increase sales volume

V<sub>13</sub> = To increase gross profit

V<sub>14</sub> = To achieve a target rate of return on capital employed

V<sub>15</sub> = Other

9 = Missing value

Nevertheless, the contribution of marketing division towards the ultimate organisation's financial objective is not mainly measured by its achievement in market share objective, Table 7.3. All the line managerial subgroups disagreed about describing the market share objective as marketing's biggest contribution towards this objective. This is particularly true at the junior and middle managerial levels (the responses of the junior level was; 17.0%, strongly disagree; 50.8%, disagree; 6.8% uncertain; and 25.4% agree), thus, the study does not confirm what some authors believe about the brand manager's attitudes towards share objective, for instance, Catry and Chevalier (1974; 46).

**Table 7.3 Respondent's management level by the contribution of share objective towards the organisation's financial objective**

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	9	Total
Low management level (i)	10 17.0%	30 50.8%	4 6.8%	15 25.4%	0 -	0	59 100.0%
Middle management level (ii)	13 20.0%	31 47.8%	6 9.2%	13 20.0%	2 3.0%	0	65 100.0%
High management level Researcher (iii)	3 8.3%	8 22.2%	1 2.8%	6 16.6%	2 5.6%	0	36 100.0%
	1 2.8%	2 5.6%	5 13.9%	7 19.4%	1 2.8%	0	
Total	27 16.9%	71 44.4%	16 10.0%	46 28.7%	5 3.1%	0	160 100.0%

$$X^2 = 10.429$$

$$\text{Overall } X^2 = 81.624$$

$$D.f = 6$$

$$D.f = 4$$

$$p > .05$$

Significant at .01 probability level

Meanwhile, researcher showed the opposite as being reflected by their distribution of responses - 2.8% strongly disagree; 5.6% disagree; 13.9% uncertain; 19.4% agree; and 2.8% strongly agree. However, the deviation of researcher's responses was not significant in relation to the others, hence, non significant relationship between the management subgroups and the contribution of market share objective towards the organisation's financial objective was found. Meanwhile, according to the total score a highly significant result is clear in favour of disagree category.

Based on the foregoing discussion, the study shows that although market share objective is applicable to all marketing strategic planning, with particular emphasis at the product/brand marketing plan level, increasing share objective is not the only ultimate marketing division objective towards the successful organisation's financial performance. By accepting that, the present study does not agree with the suggestion of PIMS Study (1975; 97-106). Such finding gives the way to verify the major part of the

first hypothesis which is the responsibility of different marketing managers towards setting and implementing the marketing plans.

Marketing director seems to be the most indicated manager responsible for deciding the overall marketing strategy, as 49.3% of the respondents referred to him, Table 7.4. Meanwhile, both the managing director, and marketing manager are less authorized to take this decision, and held close percentage of the responses, 28.6% and 22.1% respectively (Kotler, 1972; 364)

Table 7.4 Nationality of brands by the manager responsible for deciding the overall marketing strategy

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub>	9	Total
British (i)	31 21.7%	75 52.4%	37 25.9%	17(10)	0	143 100.0%
Foreign (ii)	35 39.8%	39 44.3%	14 15.9%	19(16)	0	88 100.0%
Total	66 28.6%	114 49.3%	51 22.1%	36(26)	0	231 100.0%

$$X^2 = 9.311$$

D.f = 2 Significant at .01 probability level

V<sub>40</sub> = Managing Director

V<sub>42</sub> = Marketing Manager

9 = Missing value

V<sub>41</sub> = Marketing Director

V<sub>43</sub> = Others

This general pattern of the responses is also reflected in the nationality

of brands subgroups, but with remarkable differences between them towards the latter two managerial positions. British producers subgroup assigned relatively higher responsibility for marketing manager (25.9%) than for managing director (21.7%), whereas Foreign subgroup was extremely in favour of managing director (39.8%) compared to (15.9%) for the marketing manager. The response of the latter subgroup makes the managing director to be almost on equal authorization status with the marketing director (44.3%), (Rogers, 1975; 1-4). Hence, a highly significant relationship between the nationality of brands and the manager responsible for deciding the overall marketing strategy was found.

For designing the product/brand marketing plan, the brand manager appeared to be the most preferable one of all managers, followed by the marketing manager on the grand total score (14.8% marketing director; 34.3% marketing manager; 3.2% sales manager; and 47.7% brand manager), Table 7.5

Table 7.5 Respondents' management level by managers developing the product/brand marketing plan

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub>	9	Total
Low management level (i)	3 4.0%	14 18.7%	4 5.3%	54 72.0%	4(4)	0	75 100.0%
Middle management level (ii)	17 17.3%	35 35.7%	3 3.1%	43 43.9%	9(9)	0	98 100.0%
High management level Researcher	8 4 12 27.9%	14 11 25 58.1%	0 0	3 3 6 14.0%	1(1) 2(2)	0	43 100.0%
Total	32 14.8%	74 34.3%	7 3.2%	103 47.7%	16(16)	0	216 100.0%

$X^2 = 39.633$       D. f = 4      Significant at .01 probability level  
V<sub>44</sub> = Marketing Director      V<sub>47</sub> = Brand manager  
V<sub>45</sub> = Marketing Manager      V<sub>48</sub> = Others  
V<sub>46</sub> = Sales Manager      9 = Missing value

This pattern of preference was clearly indicated by the low management subgroup (4.0% Marketing director; 18.7% marketing manager; 5.3% sales manager; and 72.0% brand manager) and reversed at the senior management level, for instance, the response of high management and researcher subgroup (iii) was (27.9% for marketing director, 58.1% for marketing manager and 14.0% for brand manager). These differences between managerial subgroups yields a highly significant result.

Regarding the execution of the marketing plan, all the three line manager's subgroups confirmed the responsibility of brand rather than functional manager, while the researcher subgroup did exactly the opposite, (10.5% brand manager, and 89.5% functional manager), Table 7.6.

Table 7.6 Respondent's management level by type of manager responsible for implementing the product/brand marketing plan

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub>	9	Total
Low management level (i)	58 93.6%	4 6.4%	1(1)	0	62 100.0%
Middle management level (ii)	53 71.6%	21 28.4%	6(6)	0	74 100.0%
High management level (iii)	11 57.9%	8 42.1%	1(0)	0	19 100.0%
Researcher (iv)	2 10.5%	17 89.5%	7(6)	0	19 100.0%
Total	124 71.3%	50 28.7%	15(13)	0	174 100.0%

$X^2 = 50.452$  D.f = 3 significant at .01 probability level

V<sub>49</sub> = Brand Manager

V<sub>51</sub> = Others

V<sub>50</sub> = Functional Manager

9 = Missing value

However, the line manager's subgroups differed to some degree in identifying the responsibility of both managers, brand manager was selected by 93.6% of low management level, 71.6% of middle level, and 57.9% of high level. Therefore, a highly significant relationship between the managerial profile and the manager responsible for implementing the plan is obvious.

By relating the last two tables to each other, the study confirms that brand manager is mainly in charge of designing and implementing the product/brand marketing plan (Luck, 1972; 86). However, designing the product marketing plan and the overall marketing strategy requires a joint contribution of different managerial levels, since the total response score exceeds the total number of respondents, while executing the former plan is restricted to the efforts of one manager.

Thus, according to the above discussions, it can be concluded that the study accepts the first hypothesis which is:

'While a senior marketing manager applies market share objective to decide the overall marketing strategy, a product/brand manager is in charge of designing and implementing the product marketing plan for achieving this objective'

7.3 The second hypothesis - The variation of market share objective over the stages of product life cycle  
72.6% of the total respondents confirmed the variation of product/brand marketing plan over the product life cycle, while 15% of them did not do so, Table 7.7

Table 7.7 Industry type of brand related to the effects of product life cycle on the product/brand marketing plan

	Yes	No	Don't Know	9	Total
Food (i)	52 73.2%	12 19 26.8%	7	2	71 100.0%
Drink, tobacco (ii)	18 60.0%	4 12 40.0%	8	2	30 100.0%
Household products Motor (iii)	12 14 26 86.7%	0 1 4 13.3%	3 0	1 3	30 100.0%
Pharmaceutical (iv)	15 68.2%	6 7 31.8%	1	0	22 100.0%
Total	111 72.6%	23 15.0%	19 12.4%	8	153 100.0%

$$X^2 = 5.585$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 57.792$$

$$D.f = 1$$

Significant at .01 probability level  
(Don't know category is not included)

This norm of response is also observed in the individual industrial subgroups with slight variation. The household products and motor subgroup (iii) was the most certain about this idea of all (86.7% yes; 13.3% no and don't know), while the drink/tobacco subgroup (ii) was the least convinced one (60% and 40% respectively). A highly significant result based on the total response was found, hence the study firmly supports the influence of the product life cycle concept on the marketing planning (Smallwood 1973; 29-35 and Doyle, 1978; 1-6).

Regarding the verification of this hypothesis, comparing the total responses rather than the subgroups across the stages of product life cycle will be considered, since these subgroups had a close pattern of response as illustrated in Chapter 6. Generally, market share objective is more important at the first three stages (introduction, growth, and mature) than at the fourth one (decline) of the life cycle, Table 7.8. The peak of the importance is in the growth stage (3.4%, don't know; 0% not at all important; 7.4% not very important; 36.5% important; and 52.7% very important) and it goes slightly down in the mature stage (3.4%, 2%, 8.1%, 47.3% and 39.2% respectively). The close results at these two stages may be attributed to the great number of brands allocated in the mature stage (54% mature stage compared to 46% for all other stages).\*

In addition, share objective becomes less significant in the introduction stage (4.1%, 5.4%, 14.9%, 35.1% and 40.5% respectively).

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\* The figures are calculated according to the total response of Table 11, Chapter 6

**Table 7.8** The total response of industries by the importance of market share across the product life cycle stages

	Comments	Don't know*	Not at all important	Not very important	Important	Very Important	9	Total
1) Introduction Stage	7	6 4.1%	8 5.4%	22 14.9%	52 35.1%	60 40.5%	6	148 100.0%
2) Growth Stage	7	5 3.4%	0 0%	11 7.4%	54 36.5%	78 52.7%	6	148 100.0%
3) Mature Stage	7	5 3.4%	3 2%	12 8.1%	70 47.3%	58 39.2%	6	148 100.0%
4) Decline Stage	7	9 6.1%	17 11.5%	60 40.5%	34 23.0%	28 18.9%	6	148 100.0%

- 1) Overall  $X^2 = 51.014$       D.f = 3    Significant at .01 probability level  
 2) Overall D = .5       $D_{Ho} = .134$     "    "    "    "  
 3) Overall D = .46       $D_{Ho} = .134$     "    "    "    "  
 4) Overall  $X^2 = 28.741$       D.f = 3    "    "    "    "

\* Don't know category is not included in the calculation of chi-square ( $X^2$ )

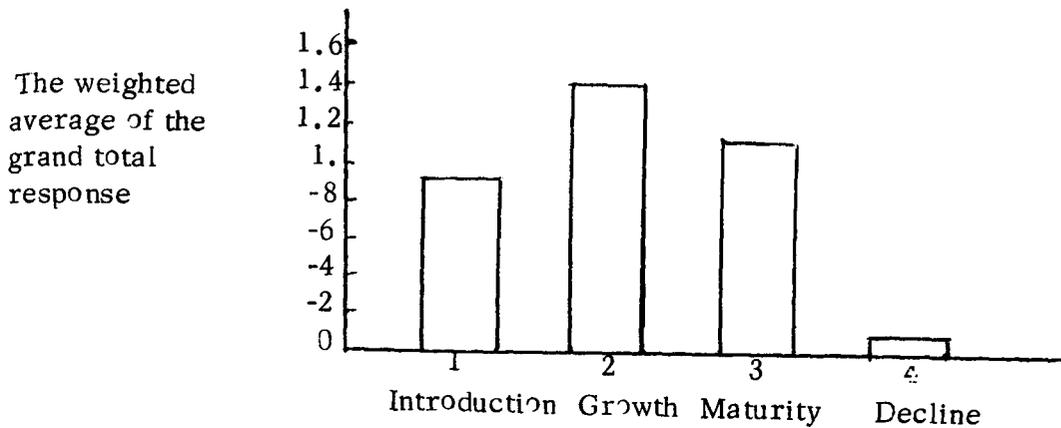
In contrast, the trend of importance noticeably shifts to Not at all important and Not very important as the product passes the above three stages and enters the decline stage (6.1%, 11.5%, 40.5%, 23.0% and 18.9% respectively).

The change in the importance of market share over the cycle is also illustrated in figure 7.1. In which the weighted average of the total response at each stage is placed on the vertical axis.

It is interesting to notice that the importance of market share objective takes similar shape of the product life cycle curve.

These differences of response associated with a high significant result at all stages makes it legitimate to conclude that the study supports the beliefs of most authors, for instance (Buzzell, et al 1975; 97-106). Hence, the

Figure 7.1 The weighted average of the total response over the product life cycle



The Stages of product life cycle

following hypothesis is accepted:

"The importance of market share objective for a product/brand decreases through the consequent stages of its life cycle"

#### 7.4 The third hypothesis - The use of market segments for measuring market share objectives

'Product type' is the most applied criteria to divide the market into sub markets and the type of user ranked in the second position based on the grand total score (37.5% and 30% respectively), Table 7.5.

Meanwhile, the type of region, and the type of end use obtained about equal percentage of response (14.6% compared to 13.7%). This distribution of response is completely reflected by all managerial sub groups. Hence, the compound total response shows a highly significant result mainly in



Table 7.10 Respondent's management level by the use of market segmentation types for organising marketing division

	Yes	No	Comments	9	Total
Low management level (i)	38 70.4%	16 29.6%	1	4	54 100.0%
Middle management level (ii)	41 66.1%	21 33.9%	1	2	62 100.0%
High management level (iii)	18 90.0%	2 10.0%	0	0	20 100.0%
Researcher (iv)	8 50.0%	8 50.0%	0	0	16 100.0%
Total	105 69.1%	47 30.9%	2	6	152 100.0%

$$X^2 = 7.237$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 22.132$$

$$D.f = 1 \quad \text{Significant at } .01 \text{ probability level}$$

Low and middle management levels were divided in the same proportion as the total group, while high management level was greatly in favour of this gearing action (90%, yes; and 10%, no). The researcher class split exactly into two equal halves that would mean no conclusions can be drawn from this sub group. Therefore, non significant result between strata was found, but the compound total response reveals a highly significant one. However, these managerial sub groups varied in the form of utilizing the market segmentation types in organizing marketing division, Table 7.11

90% of the high management and researcher sub group (iii) reflected that market segments were used to outline the organisation of marketing division (alternative 1), while, such application was faced with less confident by low and middle management levels (46.9% and 30.3% respectively). Meanwhile, using segmentation to design the marketing strategy (alternative 2) and define the manager's responsibility (alternative 3) was rated higher at the middle

Table 7.11 Respondents' management level by the application of market segmentation

	1	2	3	9	Total
Low management level (i)	15 46.9%	12 37.5%	5 15.6%	6	32 100.0%
Middle management level (ii)	10 30.3%	13 39.4%	10 30.3%	8	33 100.0%
High management level Researcher (iii)	10 8 18 90.0%	0 0	2 0	6 0	20 100.0%
Total	43 50.6%	25 29.4%	17 20%	20	85 100.0%

$$X^2 = 18.105$$

D.f = 2 Significant at .01 probability level

management level (39.4% and 30.3% to each one of them respectively) than at the low management sub group (37.5% and 15.6%). Thus, a highly significant result was found. The study confirms what was suggested by Ansoff (1968; 18-20) about the possibility of implementing segmentation in these three areas which he described as interrelated factors. The study findings indicate implicitly the linkage between segmentation of a market for planning and measurement purposes and the organisation of the marketing division. Hence, the hypothesis can be accepted that with the study population:

"Measuring the market share level of a product by a market segment is a function of the segmentation criteria used in organising the marketing division"

7.5 The fourth hypothesis - Defining the market in relation to marketing plannings

As illustrated in the above section, a unique marketing strategy is designed to satisfy the requirements of each part of the divided market.

Table 7.12 shows that all managerial levels were certain about the importance of dividing the market into sub markets for formulating the overall marketing strategy as presented by the grand total response (15.7% disagree; 11.3% uncertain; 48.4% agree; and 24.6% strongly agree).

Table 7.12 Respondents' management level by specifying the market divisions for the purpose of overall marketing strategy formulation

	Disagree	Uncertain	Agree	Strongly Agree	9	Total
Low management level (i)	7 11.9%	9 15.2%	28 47.5%	15 25.4%	0	59 100.0%
Middle management level (ii)	16 25.0%	5 7.8%	27 42.2%	16 25.0%	0	64 100.0%
High management level	2	4	11	3	0	
Researcher	0	0	11	5	0	
(iii)	2 5.6%	4 11.1%	22 61.1%	8 22.2%		36 100.0%
Total	25 15.7%	18 11.3%	77 48.4%	39 24.6%	0	159 100.0%

$$X^2 = 10.012$$

$$D.f = 6$$

$$p > .05$$

$$\text{Overall } X^2 = 52.294$$

$$D.f = 3$$

significant at .01 probability level

Consequently, a highly significant result was found, while the slight variances between the managerial sub groups led to non significant one.

On the other hand, the trend of all manager's attitudes is enhanced towards the product/brand marketing plan as the distribution of total scores is increased in the 'strongly agree' category and reduced in the others (13.8% disagree; 10.1% uncertain; 45.3% agree; and 30.8% strongly agree),

Table 7.13. Again, a highly significant result becomes obvious on the grand total response.

**Table 7.13 Respondents' management level by specifying the market divisions for the purpose of product/brand marketing plan formulation.**

	Disagree	Uncertain	Agree	Strongly Agree	9	Total
Low management level (i)	8 13.6%	9 15.2%	25 42.4%	17 28.8%	0	59 100.0%
Middle management level Researcher (ii)	10 0 10 12.5%	5 0 5 6.3%	27 10 37 46.2%	22 6 28 35.0%	0 0	80 100.0%
High management level (iii)	4 20.0%	2 10.0%	10 50.0%	4 20.0%	0	20 100.0%
Total	22 13.8%	16 10.1%	72 45.3%	49 30.8%	0	159 100.0%

$$X^2 = 4.883$$

$$D.f = 6 \quad p > .05$$

$$\text{Overall } X^2 = 50.434$$

$$D.f = 3 \quad \text{significant at .01 probability level}$$

Market segmentation is found to be a vital element in designing different marketing plans (Tilles, 1971; 30-31). However, it becomes obvious that segmentation is more required for designing product marketing plan than overall marketing strategy as a market is defined on the aggregate basis in the latter one (Abell, 1980; 22). Such findings can be generalized to the whole population, and thus, the fourth hypothesis is accepted.

"For designing the strategic marketing plan, a wider definition of the market is required than for developing the tactical plan for a product/brand".

#### 7.6 The fifth hypothesis - Defining the market in relation to manager's position in his organisation

The grand total score shows that the managers did not give a clear cut decision about a wider definition of the market associated with a higher

manager's position within his organization. Since the responding managers split into two equal halves; 41.6% of them exposed their disagreement somehow (6.9% strongly disagree; 34.7% , disagree); 40.3% of them did the opposite (36.1% and 4.2% respectively as before), while 18.1% were uncertain, Table 7.14.

**Table 7.14** Respondent's management level by defining the market for assessing market share

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	9	Total
Low management level (i)	6 11.3%	19 35.8%	10 18.9%	18 34%	0 -	6	53 100.0%
Middle management level (ii)	4 6.7%	19 31.7%	9 15.0%	23 38.3%	5 8.3%	5	60 100.0%
High management level Researcher (iii)	0 0 -	6 6 33.7%	4 3 7 22.6%	9 2 12 38.7%	0 1 3.2%	1 4	31 100.0%
Total	60 41.6%	58 40.3%	26 18.1%	52 36.1%	6 4.2%	16	144 100.0%

$$X^2 = 2.399$$

$$D.f = 4$$

$$p > .05$$

$$\text{Overall } X^2 = 64.889$$

$$D.f = 4$$

significant at .01 probability level

This norm of response also occurs within the managerial sub groups but with slight differences. Low management subgroup (i) was the least convinced of all, (11.3% strongly disagree; 35.8% disagree; 18.9% uncertain; 34% agree; and 0% strongly agree), whereas middle management sub group (ii) was in the opposite position (6.7% 31.7% 15% 38.3% and 8.3% respectively). High management and researcher sub group (iii) kept the balance of the total response.

(38.7% to disagree category compared to 38.7% to agree and strongly agree). Hence, a highly significant result was only found in the total response score, which is mainly in favour of disagree, and agree categories. As each one of them cancels the other, it yields that defining the market for measuring market share is not related to the manager's position. The study does not confirm the beliefs of some authors such as (Boyd & Headen, 1978; 340)

However, different market definitions were considered to measure the market share of a product but with large emphasis on the total industry figure as illustrated by the total score of respondents (38.4% total industry sales; 27.4% sales by all competing brands; 10.7% sales of selected competing brands; and 23.5% sales in a limited market segment), Table 7.15.

Table 7.15 Respondents' management level by market sales figure

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub>	9	Total
Low management level (i)	33 40.8%	24 29.6%	5 6.2%	19 23.4%	0	2	81 100.0%
Middle management level (ii)	46 36.2%	30 23.6%	18 14.2%	33 26.0%	3	0	127 100.0%
High management level (iii)	13 46.4%	10 35.7%	1 3.6%	4 14.3%	0	0	28 100.0%
Researcher (iv)	9 33.3%	8 29.7%	4 14.8%	6 22.2%	0	0	27 100.0%
Total	101 38.4%	72 27.4%	28 10.7%	62 23.5%	3	2	263 100.0%

$$X^2 = 6.54$$

$$D.f = 6$$

$$p > .05$$

$$\text{Overall } X^2 = 41.38$$

$$D.f = 3$$

significant at .01 probability level

V<sub>35</sub> : Total industry sales

V<sub>38</sub> : sales in a limited market segment

V<sub>36</sub> : Sales by all competing brands

V<sub>39</sub> : Other figures

V<sub>37</sub> : Sales of selected competing brands

9 : Missing value

Slight variances among the managerial sub groups were occurred, both low and high management subgroups (i and iii), particularly the latter, tended to focus on total industry figure more than the other two subgroups, middle management level (ii) and researchers (iv). However, no other discernible differences between these subgroups can be found in relation to the composed total response which shows a highly significant result. Therefore, the present study confirms Abell's idea about including all competing companies within an industry to monitor the performance in terms of a product market share (1980; 23).

According to the above discussion, the fifth hypothesis proposed by this study is rejected:

"To measure the market share level of a product, the senior marketing manager defines the related competitive market more widely than the junior marketing manager"

#### 7.7 The sixth hypothesis - Selecting the sales figure for measuring market share

In spite of selecting various sales figures to measure market share level of a product, the physical sales figure of a product (sales volume, and unit sales) was more applicable than the monetary sales on the grand total score (29.1% sales value, compared with 40.6% sales volume; and 30.3% unit sales), Table 7.16.

This proportion of response, even within the physical sales figure, did not stand the same in the majority of industrial subgroups. The food subgroup (i) remarked higher use of sales volume than unit sales (30.2% value; 47.3% volume; and 22.5% unit sales). Other subgroups made a tremendous shift to either side of the major sales figures. The drink subgroup relied heavily on the physical rather than monetary sales figures, particularly towards the sales volume (15.4% sales value; 56.4% sales volume; and 28.2% unit sales).

Table 7.16 Industry type of brand by sales figures employed for measuring market share

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub>	9	Total
Food (i)	39 30.2%	61 47.3%	29 22.5%	3	0	129 100.0%
Drink, Tobacco (ii)	6 15.4%	22 56.4%	11 28.2%	0	0	39 100.0%
Household products (iii)	9 31.0%	11 38.0%	9 31.0%	0	0	29 100.0%
Motor (iv)	1 5.3%	2 10.5%	16 84.2%	0	0	19 100.0%
Pharmaceutical (v)	21 46.7%	10 22.2%	14 31.1%	2	0	45 100.0%
Total	76 29.1%	106 40.6%	79 30.3%	5	0	261 100.0%

$X^2 = 43.554$  D.f = 8 significant at .01 probability level

V<sub>31</sub> = Sales value

V<sub>33</sub> = unit sales

9 = Missing value

V<sub>32</sub> = sales volume

V<sub>34</sub> = other

while the motor sub group did the same with more emphasis on unit

sales (5.3%, 10.5%, and 84.2% respectively). In contrast, the pharmaceutical sub group illustrated a wide use of the sales value relative to the sales volume (46.7%, sales value; 22.2%, sales volume; and 31.1%, unit sales)

Consequently, a highly significant relationship between the industrial sub groups and the sales figure employed to measure a product's share is clear.

Multiple reasons were specified for selecting the sales figures, however, the industrial sub groups did not differ largely in referring to them, Table 7.17.

Based on the total responses, avoiding inflation(3), availability of data(2), and accuracy(1) were the major factors affecting the selection of a particular figure (26%, 15.6% and 13.6% respectively). Hence, a highly significant result becomes obvious mainly in favour of the first factor above.

Table 7.17 Industry type of brand by factors of applying sales figure

	1	4	2	5	3	6	7	8	10	9	Total
Food	4	4	2	3	13	4	3	7	3	30	61 100%
Drink, tobacco	4	4	6	1	2	0	1	0	0	14	
(i)	16 26.2%		12 19.7%		15 24.6%	18 29.5%					
Household products	1	1	2	0	4	0	0	2	0	6	35 100%
Motor	0	0	3	4	2	0	0	0	0	9	
Pharmaceutical	4	1	2	1	4	0	3	1	0	6	
(ii)	7 20.0%		12 34.3%		10 28.6%	6 17.1%					
Total	23 24%		24 25%			24 25%					
	13 13.6%	10 10.4%	15 15.6%	9 9.4%	25 26.0%	4 4.2%	7 7.3%	10 10.4%	3 3.1%	65	96 100%

$$X^2 = 3.767$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 32.71$$

$$D.f = 8$$

significant at .01 probability level

It can be generalised that the inflation rate within an economy, and the type of a product are the main determination of using the physical or monetary sales figure for measuring the market share (Chevalier and Catry, 1974; 44). Therefore, the following hypothesis is accepted

"The higher the inflation rate in the market for a product, the greater the use of physical sales figures than of monetary figure to measure the market share"

## CHAPTER EIGHT

### INTERVIEWING SENIOR MARKETING MANAGERS FOR VERIFYING THE STUDY FINDINGS

### 8.1 Introduction

As illustrated in Chapter 5 a group of six marketing managers was selected from the questionnaire respondents, and visits were arranged for the purpose of exploring their evaluation of the study findings. The discussion in the interviews was guided by a brief outline of what the study had achieved through the questionnaire survey, Appendix III. This chapter represents the six respondent's views in relation to aspects of the hypothesis being investigated in this study. The material of this chapter is organised by each of the major study issues rather than by specific company in order to establish a generalised view and to facilitate the discussion sequences.

### 8.2 Classification of the visited companies

The six managers being interviewed were working for companies in different industries; two were in the food industry; and one in each of drink, household appliances, motor, and pharmaceutical industries. This distribution of managers over the whole industries covered by the present study permits the researcher to gain a thorough opinion about the findings, and to compare between these industries. The main reason for selecting two managers in the food industry was the large number of its participants in relation to the industries involved in the study. According to the aspect of managerial level, the six managers were equally allocated at the high and middle managerial subgroup\*. The former consisted of one, 'Divisional Director' and two 'Marketing Directors', while the second subgroup had one 'Marketing Manager' and two 'Senior Product Managers'. On the other hand, equal numbers of interviews were performed in each type of the national origin of companies (three visits were in each of British and foreign companies). The above discussion is summarised and illustrated in Table 8.1, in which the number appeared in front of each case is used

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\* This division has emerged accidentally rather than deliberately. The researcher intended to select all his interviewees from the senior managerial subgroup, but its limited number and the availability of the managers themselves precluded achieving this aim.

as a reference convention in the rest of this chapter.

Table 8.1 Description of the interviewed managers by their job titles, industries, and nationality of companies

Number	Job Title	Type of industry	Nationality of companies
1	Senior product manager	Food	British
2	Divisional director	"	Foreign
3	Marketing director	Drink	British
4	Marketing director	Electrical Appliances	Foreign
5	Marketing manager	Motor	Foreign
6	Senior product manager	Pharmaceutical	British

### 8.3 Marketing objectives

#### 8.3.1 Share objectives and Marketing planning levels

'Market share objective was considered one of the main long-range marketing objectives, but, there was general agreement among the respondents that it becomes more important than others (especially the rate of return on investment) as one is moving from the overall marketing plan to the product level.'

Market share objective was considered the key indicator of monitoring the performance of marketing people in relation to others operating in the same market, but the interviewees differed in its application at the overall marketing strategy level. Two executives (4 and 5) emphasized on setting this strategy upon the share objective rather than upon the rate of return on investment and net profit, as the marketing director (4) put it:

"When we do our marketing plan, the first consideration is the brand share. Then, we do a financial interpretation on it, therefore, rate of return on investment is considered in the financial interpretation".

The marketing manager (5) indicated that finance department measures the performance in terms of RoI through budgetary control, but, marketing department may consider RoI in setting the prices of products. However, three executives (2, 3, and 6) stated the company's overall objective should be set in terms of profit and rate of return on investment. The statement made by the marketing director (3) includes that:

"No company can exist unless it can achieve its financial targets. That's got to be everybody's first objective"

Producing different products, and operating in different markets were the main reasons of applying financial rather than share objectives at the company level.

In contrast to that, the sixth executive (1) who works for one brand firm, stood in the centre of the above extremist views and suggested the application of both objectives:

"We would set the overall objective of the brand in terms of profitability which is the most important. Share objective is very important too because long-term volume determines the long-term profitability. So that, it is a balance between the two"

Share objective was absolutely the main consideration in formulating the product/brand marketing plan in all cases. The company's overall objective whether financial or share objective should be translated into specific share objectives for each brand. The marketing director (3) commented on the translation process by:

"Having set the fundamental objectives of the whole, these objectives can be translated into other objective (e.g. market share and sales volume) at a brand level which gives support to the financial objective"

On the specification of a brand share objective, another marketing director (4) stated:

"We would not consider overall brand share (share of the company). We are looking at the brand share within the product group, within each market the product operates in. That's how we do marketing forecast".

Two factors were attributed for putting more emphasis on market share than on profitability at the product level:

a) A product market can be defined easily as the Marketing Director (3) put it

"Measuring a product performance becomes a small part of the whole which makes it easy to measure the market"

b) Share data is more reliable or available than a profit which is broken down into parts at the product level

To summarise what has been said, the visited managers in general, agreed on the significance of share objective at the product level rather than at the corporate level, and vice versa for the rate of return on investment. One of the interviewed managers (6) clearly identified that:

"When you look at the company level as a whole, you have certainly to look at the financial results (profits). At the product level, you have to start with the share objective".

### 8.3.2 Share's contribution towards the financial performance

"Respondents did not agree that market share objective is the major contribution of marketing division towards the firm's financial performance"

All the visited executives confirmed what the study had found in relation to the marketing division's contribution towards the organisation's financial performance through achieving market share objectives. Two

managers (1, and 5) differentiated between the theoretical and practical marketing practices. The reality of business makes marketing management to consider other factors besides market share when it looks at its contribution towards the financial performance. Meanwhile, some marketing theorists, and the BCG in particular, have emphasised the role of market share and regarded it as the most influential factor on the financial performance. However, the marketing manager (5) declared that share and RoI objectives can not always be taken together in all cases since the demand elasticity differs from one market to the other, and he gave this example:

"In our case xxxx, the demand is 1% elastic, so we cannot do both objectives"

One senior product manager (6) backed this observation from the time point of view. As market share is a long-term objective, it has no immediate effects on the financial performance that should be a company's first priority in the short-term. On the other hand, executive (3) tended to neglect in some way the contribution of market share objective to the financial performance when he stated:

"Market share is just one measure and there are a number of ways in which one can measure his performance. Fundamentally, the real measure is to reduce fixed and variable costs in order to achieve a sufficient net profit".

In relation to the researcher's agreement with the statement concerned with this aspect, two executives (1, and 3) remarked that the lack of involvement in the decision making makes the staff manager to not have real picture of what is going on in the company.

In general, the managers agreed that market share objective does influence the organisation's financial performance, but it is not the marketings biggest contribution.

### 8.3.3 Market share objective and product life cycle

"The majority of respondents noted the positive influence of the product life cycle on the way marketing objectives were set. Market share objective is rated more important at the first three stages of the life cycle, and especially the growth and mature stages, rather than in the decline stage".

Again, all the managers with whom the researcher made the interviews declared their acceptances for the effects of product life cycle on marketing planning, which the present study had found in the questionnaire survey. In addition, a remarkable understanding to what the study had shown in relation to the various importance of share objectives over the cycle was reflected by all the visited managers. The statement phrased by one senior product manager (1) offers a clear vision about this importance besides identifying the purposes beyond it:

"Market share (volume) is very important for a new product right through the launch phase because it provides a basis for a long-term success. In the growth phase, brand share is important in monitoring precisely how effectively we are attacking the market opportunity. In the mature phase (at a high level of stability) market share is important in determining our performance against competitors. In the decline stage, we cannot see any realistic opportunity to expand our volume".

Within the same context, most of the visited managers differentiated between three market share strategies - Expanding, Maintaining and Harvesting and allocated them respectively at the four stages of product life cycle - introduction and growth, maturity and decline. However, the researcher gave a great emphasis on the importance of share objectives at the growth and mature stages as the study had found a close results for the two. Executive (4) declared that the situation of a product concerned, and the competitors' reactions may permit to attain a high share level even at the mature stage. Another executive (6) viewed this point on the basis that a market with high stability enables the

companies to operate easily. However, market share objective was considered relatively less important at the mature than at the growth stage for two reasons:

- a) Increasing the number of competitors within a market requires larger amounts of advertising expenditures to gain share (executives 3 and 5)
- b) The rivals catch up with the technical lead of an existed product in the market by developing a more advanced technology (executive 2)

The foregoing discussion shows the consistency between the visited managers' attitudes and the study finding in this respect, which enhances the reliability of its results from the practical point of view.

#### 8.4 Market Segmentation

##### 8.4.1 Market segmentation and marketing's organization

"The division of the market into segments seemed to be widely accepted as a basis for organizing and directing the activities of marketing people".

Five managers out of six absolutely agreed with the present study finding in relation to organising marketing division by market segments. One senior product manager (1) highlighted the importance of market segmentation in these words:

"I think dividing the market into segments is the vital element of marketing contribution to the business. It provides specialisation, it provides means to meet the changes of consumers needs"

In contrast, the sixth manager (5) accepted market segmentation concept for making companies to be aware of the consumers' needs within these segments but he rejected the idea of applying them in

organising the marketing activities. Because this gearing action needs a large amount of economic resources which some companies cannot afford to do.

Regarding the type of segments employed, although a product type was considered the starting point of any organisation, one senior product manager (6) related the selection of segments to the requirements of each company concerned. By the same token, another manager (1) illustrated the difficulties of depending merely on product type when he said:

"The only danger of segmentation is the way of selection. For instance, a product may contain different raw materials (meat, vegetables etc.) so it becomes difficult to allocate the product to specific segments"

On the other hand, the ways of implementing segmentation for the purposes of marketing's organisation (structuring planning, and defining manager's responsibilities) were conceived to be interrelated as precisely indicating by one senior product manager (6):

"I cannot see how one can devise one from the other, it is obviously structuring the company on these segments that means you have a brand responsibility, and then you get the marketing plan"

In summary, the majority of cases indicated the significance of market segmentation for directing the activities of marketing division with particular reference to the type of product concerned. That is what had been achieved from analysing the data of the questionnaire survey.

#### 8.4.2 The scope of segmentation and the marketing planning level

"Marketing segmentation was more important in designing the product marketing plan than the overall marketing strategy"

The interviews indicated the necessity of segmenting the market for designing both of the overall marketing strategy and product marketing plan. However, segmentation was perceived to be more important at the former than the latter level for the following two reasons:

a) Too much detail is involved in formulating the product marketing plan to meet the needs of a particular segment. The statement of one marketing director (4) clearly reflects that:

"We design the marketing plan for the product group and the brands within the group. We design a brand for the requirements of specific segment of the market (prices, tastes....etc) but we don't apply that for the product group"

b) A wider definition of the market is required for the overall marketing strategy as one senior product manager (1) stated:

"The overall marketing strategy only makes segmentation less important because it is adding up various segments"

One manager (6) declared that the importance of segmentation at the two planning levels differs from one industry to the other. It becomes more significant at the product level in the fast-moving consumer industry because different groups of people are involved in the market. Meanwhile, durable consumer industry (e.g. motor industry) does not have this situation, and thus segmentation is important at the corporate level.

In general, the statement of one marketing director (3) summarises what the present study was looking after:

"The higher up in the hierarchy that you get, the less important the segments become, and the lower down, the more important they are"

### 8.5 Manager's responsibility

"Senior marketing managers were responsible for deciding the overall marketing strategy, while product managers were mainly responsible for developing and implementing the product marketing plan".

Dealing with this issue requires to break down the discussion into two sub sections, which are:

- a) Deciding the overall marketing strategy
- b) Designing and implementing the product marketing plan

a) Deciding the overall marketing strategy: whether the interviews were made with managers working for British companies or foreign subsidiaries, the marketing director has the major role in approving this plan as one manager (3) put it:

"Senior marketing managers have to create the overall marketing strategy because they are the guys who work to achieve the financial objective".

One senior product manager (1) viewed the marketing director's involvement in terms of long-range rather than short-range decision. However, three visited managers (1, 5 and 6) insisted on taking into consideration the attitudes of all managerial levels in setting the marketing strategy for achieving a successful implementation. The involvement of managing director in such decisions seems to be larger in foreign subsidiaries, particularly cases 4 and 5 than in the British companies. The marketing manager (5) conceived this participation to be a routine rather than actual task since marketing department, in general, has more knowledge about the UK market. Meanwhile, the other manager (4) took an opposite view and considered it as a vital role to approve the marketing strategy. On the other hand, the British participants related the managing director's engagement on this decision to his personal style and the structure of a company concerned.

Generally, no uniform managerial practice for identifying the responsibility of the overall marketing strategy exists in all the visited companies, but it becomes clear that the marketing director is the person in charge of taking the decision.

b) Designing and implementing the product marketing plan: Differences in opinion were reflected towards the manager responsible for formulating and implementing the product marketing plan. Adopting the brand management system was the main factor beyond these differences. Regarding the development of plans, four managers (1, 2, 3 and 6) operating under this system, gave the brand manager a full responsibility for it. Meanwhile the other two (4 and 5) did not have this system, hence marketing manager became in charge of setting the product plan. However, both the latter two emphasised on the major role undertaken by brand managers if their companies employed the system. In all the above cases, the senior marketing manager keeps to himself the final adjustment on the plan as illustrated by one senior product manager (1):

"Brand manager's job is certainly to formulate the plan for his brand. The next step, even more importantly, is actually to make that plan easy to read. A plan like that could go to the higher managerial level, and change is radical one to be proposed"

The marketing director (3) evaluated the manager's involvement in this type of plan according to the readiness of senior managers in delegating some of their responsibilities to others. Sometimes, a senior manager does not allow the managers under him to take an important decision, particularly to those managers who are at the bottom of management hierarchy. One senior product manager (1) declared that the non existence of brand manager in one job for a long time may make the senior manager to delegate more responsibility to other managers than to brand managers in formulating the product plan.

The same arguments were applied to the implementation of marketing plan. However, the visited managers who assigned this responsibility to brand managers insisted on the co-ordination between the two as one senior product manager (1) put it:

"No-one operates in isolation in business. The brand manager has to achieve the implementation of his plan not through power and authority, he has relatively little power and authority. It has to be done through persuasion and agreement through the chain".

What was found in the questionnaire phase was exactly reflected in the interviews. The brand manager does set the product plan as far as an organisation structure and the characteristics of senior managers allow him to do so.

## 8.6 Market definition

### 8.6.1 Market sales figure and managerial levels

"The total industry sales figure rather than part of it was used by all managerial levels to measure the performance of a given product".

This general point contains within itself two issues, namely defining the market by different managerial levels, and the scope of market used to measure the market share level upon which the discussion in interviews was centred. In relation to the first issue, the same split of the questionnaire responses was found at this stage of research. The visited managers (1, 2 and 6) declared that a market should be defined according to the responsibilities held by a manager within the organisation. The statement of the senior product manager (6) clearly expresses the whole idea:

"The higher manager is, then the broader his picture is going to be. He will look more at the company market share against the whole industry. He will not take a brand and compare it to a wider segment of the market"

Although managers at different levels in the hierarchy have various responsibilities, the other three interviewed managers insisted on using the same market figure to assess the market share level. Avoiding confusion of measurement between all concerning managers was one reason quoted by the marketing director (3):

"I can see the wisdom in this because within the marketing structure you have people judging their performance by different criteria, confusion would be considerable. So that, different people have to use the same yardstick"

The competitive structure of an industry within which companies operate is another factor to apply similar market figure by different managers. Marketing manager (5) distinguished between the practice of managers in motor industry in which he works, and food industry. Because there are not many substituted products existing in the former industry, senior managers have no reason to stretch the market, while the opposite is correct in the latter one.

In addition, the same manager gave attention to the organization's structure where one manager holds the responsibility of performing more than one duty. The case of his company was referred to as an example, in which he was appointed to be a marketing manager as well as a brand manager in the same time. Hence, variation in the market definition does not appear between these two managerial levels.

On the other hand, different market bases were adopted to measure the product share level with particular emphasis on the total industry figure. When the latter base was employed, companies did not take any consideration to how close the competitor's threat facing them as clarified by the marketing manager (5):

"We measure continuously the performance of our product in relation to the total market and whether it has a direct competitive or not. Each two years we check our performance within specific segments"

The main reason for considering the total industry figure was attributed to the availability of data. However, if a company has different types of market data, measuring market share will be extended to other figures.

The statement made by one senior product manager (1) illustrates that:

"We measure the market share by the whole industry, product group, and subgroups. That depends upon the availability of data"

In general, the variation within the questionnaire respondents about defining the market was also found and justified in the interviews. Managers differ in their responsibilities, but the external and internal environmental factors of an organisation influence the way these managers define the market. Because each company has its particular situation, no uniform managerial practice can be generalised for the whole. However, the total industry figure was more preferable than other figures for monitoring the performance of a product.

#### 8.6.2 Sales figures and measuring a product's share level

"Various market sales figures were used to measure the market share level of a product, but, some respondents justified the selection of "sales volume" or unit sales related to the product type to overcome the effects of inflation and other factors".

The visited managers completely agreed with the study finding that shows measuring market share by multiple sales figures but with particular concern about the physical sales figure rather than the monetary one, because the former one works better than the latter in a market with high inflation rate. The statement made by one marketing director (4) summarises the opinions of all interviewed managers:

"Each figure has its advantages and disadvantages all figures have to be applied to understand the market situation. But, to get the share in real terms and avoid inflation, the sales volume should be applied"

Sales volume was conceived to work against those companies whose sales are in small quantity but with a high price value per unit. Therefore, it would damage companies positions in the peoples' eyes . Two visited managers (3 and 6) highlighted the difficulties of applying sales volume in companies supplying products in different packaged sizes, or in different features such as, solid and liquid types (e.g. pharmaceutical products) to the market, and thus sales value became the most dominated figure of all. However, one senior product manager (1) insisted on adjusting the sales value figure to the inflation factor, in case it was used by the above companies. In addition, all the above three managers made the application of sales value conditional to the consistent price policy of all sellers in the market.

On the other hand, different prices charged by the car sellers besides the high unit cost of buying a car have made the motor companies to apply the unit sales rather than sales value. The statement of marketing manager (5) includes that:

"Because the high cost and the discount structure, we can't adopt sales value"

The interviewed managers related the application of sales volume by food and drink companies to the cheap prices of products associated with a high consumption rate. One marketing director (3) who is working for a wine company added the traditional method of measuring the sales of drink industry to the above factors. The variation of using particular sales figure by the above industries was also attributed to the availability

of data as one marketing director (4) illustrated:

"Companies apply what data is available to them; not always does marketing research offer different types of data"

The above discussion shows what companies can gain from using a particular figure. Sales volume was perceived a real indicator for measuring a company's performance against its competitors, but the characteristics of products may preclude using it. Hence, companies should adopt the most practical sales figure for measuring the market share.

## CHAPTER NINE

### SUMMARY AND CONCLUSION

## 9.1 Introduction

In this final chapter, the whole body of this thesis which has been discussed in the foregoing chapters, is summarised to emphasise the main issue of the study. Then, after discussing the study findings relative to the propounded hypotheses, the results are viewed in terms of the application for management practice and recommendations for further research.

## 9.2 A Statement of the Study main issue

The value of market share objectives in managing a firm's marketing activities has been examined, particularly since different assessment of a product's position can be generated by this measurement, depending upon how the product's market is defined. In addition, achieving a high market share objective requires heavy investment in cash, which may result in unwanted effects on a firm's profitability, if it is performed without careful evaluation of the internal/external environmental conditions.

To clarify the situation, six prime research areas were set for this study as indicated in the introductory chapter of this thesis. Five of these areas are:

- (a) The use of the market share objective for directing the marketing activities of a product at various levels in an organisation. Achieving a high level of profitability measured by rate of return on capital employed was considered the ultimate objective of any organisation in the long run. The generality, and the difficulty of forecasting this objective over five year periods have led the managers to identify more specific and operational objectives, such as sales and market share, which serve the ultimate end indirectly. Market share objective, in particular, has a significant value in this direction as it has been proved that a higher share level in a given market is associated with a higher ROI (Chapter Two, Sections 2 and 4). Therefore, market share objectives are used for designing the marketing planning at various levels in an

organisation. However, the literature indicated that such an objective is more acceptable at the product than at the corporate planning level, since the managers who are responsible for designing the latter plan have a direct responsibility towards achieving the profitability objective.

- b) Regarding the other area, that is to investigate the importance of market share objectives over the stages of product life cycle, the literature survey also indicated that the influence of market share objective on profitability varies with the changes of internal, external environmental factors that are reflected by the stages of product life cycle. Market share objective provides a higher profitability at the growth stage than the maturity and decline stages, and thus the importance of this objective for the market strategy formulation is diminished through the sequence stages of a product's life (Chapter 2, 4.1)
- c) The discussion surrounding the other area, that is identifying the managers responsible for setting marketing strategical and tactical planning, have shown that senior company's managers, specifically marketing director, are in charge of deciding the overall marketing strategy, while product/brand manager rather than functional managers design and implement the product marketing plan. However, setting any marketing plan by a given manager requires the contribution of other managers concerned, and the approval of managing director before implementing it to achieve more efficiency in planning and to ensure the consistency of the plan with the general direction of the company respectively (Chapter Two, 3).
- d) To achieve the other objective, that is related to the definition of market base for measuring market share level relevant to the marketing planning levels and a manager's position in his organisation, three hypotheses out of six were developed. It was clear that a wider definition of a market is associated with a higher planning level (e.g. overall company's marketing strategy) occurring in the organisation as it covers the whole market served by a firm, and vice versa towards lower planning level (e.g. product/brand marketing plan), (Chapter Three, 5). The same attitude was reflected from the point of a manager's position in the organisation because a manager's responsibilities over the product/market extends with his superiority. (Chapter Three, 6). Therefore, share

level is measured in terms of industry at senior management level, while the evaluation is restricted within a market segment at the junior level. Although dividing the market into sub markets was emphasised at the product planning level, it might also be used in the designation of a higher planning level but with more degree of aggregation. In addition, the literature is indicated that the specific market segment type(s) upon which marketing organisation is built, are used for measuring a product's share level (Chapter Three, 4).

e) In respect of the other objective, concerning the selection of market sales figures for calculating the market share levels, the literature made clear that monetary (£) and physical (volume and unit) sales figures should be used. However, the former figure is used to overcome the differences in product package sizes, while the latter is more reliable in the following two cases:

- a) A high inflation rate exists in the market, and
- b) Sellers charge different prices for a given product

In addition, the characteristics of a product influence the selection of any sales figure for the purpose of share level estimation (Chapter Three, 7).

Based on the above objectives and the literature discussion, a theoretical model was developed, and then, six hypotheses were established (Chapter Four). To test these hypotheses, a postal questionnaire survey was undertaken to provide the required information, which was analysed and discussed with the study hypotheses (Chapters 5, 6, 7). Finally, the study findings were verified by interviewing six marketing managers (Chapter 8).

### 9.3 The study findings and the proposed model

The interactions between the variables proposed in the study (Figure 1.1) are confirmed but with one exception - a manager's position in his organisation does not seem to influence his definition of a market base for estimating a product's share level.

The conclusion derived by this study towards each of the six hypotheses is presented as follows:

### Hypothesis 1

"While a senior marketing manager applies market share objective to decide the overall marketing strategy, product/brand manager is in charge of designing and implementing the product marketing plan for achieving this objective"

The study confirms this hypothesis, and some distinctive points can be identified:

- (1) Market share objective is one of many objectives upon which different marketing plans are based.
- (2) The importance of market share objective in managing the marketing activities becomes increasingly important at the product rather than the corporate level.
- (3) Market share objective is not the marketing's biggest contribution towards a firm's financial performance.
- (4) There is evidence of a tendency to involve a number of different managers in the design process of any marketing plan.
- (5) In the majority of cases, the marketing director is mainly responsible for deciding the company's overall marketing strategy.
- (6) The contribution of managing director towards deciding the overall marketing plan is more evident in the foreign subsidiaries than in the British Companies.
- (7) A product/brand manager rather than a functional manager has a major role in designing and implementing the product marketing plan.

### Hypothesis 2

"The importance of market share objective for a product/brand decreases through the consequent stages of its life cycle"

This hypothesis is accepted, and the following conclusions emerge:

- (1) In the majority of cases, the product marketing plan varies through the sequence stages of product life cycle.

- (2) Share objective is rated highly important at the growth stage and diminishes towards the end of a product's life cycle

### Hypothesis 3

Measuring the market share level of a product by a market segment is a function of the segmentation criteria used in organising the marketing division

Again, the study supports this hypothesis, and two major points emerge:

- (1) Dividing the market into sub markets is accomplished in terms of various market segmentation variables
- (2) Market segmentation is used for designing marketing plans, defining managers responsibility and outlining the marketing organisation, but, in most cases, it is applied for the latter purpose.

### Hypothesis 4

For designing the strategic marketing plan, a wider definition of the market is required than for developing the tactical plan for a product/brand.

This study confirms that market segmentation process is vital for different planning levels in an organisation. However, dividing the market into sub-markets is considered to be more important at the product than at the corporate level, and thus this hypothesis is accepted.

### Hypothesis 5

To measure the market share level of a product, the senior marketing manager defines the related competitive market more widely than the junior marketing manager

The study cannot reach a clear decision about this hypothesis, since the responding managers are divided into two equal parts around disagree and agree categories of the attitudinal scale. Although market share is measured in different forms of a product's market, more emphasis is put on a wide definition (e.g. industry) than on a narrow definition (e.g. sales of selected competing brands). The reasons behind this trend are identified in the field visits as follows:

- (1) To avoid any confusion of measurement between all concerning managers
- (2) Availability of data
- (3) Sometimes, the industry structure imposes the use of a wider definition of a market

Therefore, this hypothesis is rejected by the present study.

#### Hypothesis 6

The higher the inflation rate in the market for a product, the greater the use of physical sales figures than of monetary figures to measure the market share

This hypothesis is confirmed by the present study, and some points can be concluded:

- (1) In general, physical sales figures (sale volume and unit sales) are more widely used than monetary figures
- (2) Inflation rate, availability of data, and accuracy are the major factors influencing the selection of particular figures
- (3) The characteristics of a product affects the selection of any one of the physical sales figures (e.g. sales volume is widely used by food and drink industries; unit sales is mainly employed by motor industry).

#### 9.4 The application of the study findings from a managerial perspective

The findings of this study provide new knowledge to those managers who are concerned with the application of market share objectives in managing the marketing activities of their organisations. Even if the conclusion can in part be related back to previous research, an extension of that knowledge is observed through:

- (a) providing a sound outline for the application of market share objectives at different marketing planning levels, and

- (b) confirming or rejecting the ideas that have been emerged from research carried out in other geographical areas, mainly in the USA .

The most important item of the new information is that related to the definition of market for measuring the market share level. However, any decision taken in the light of this research will not be effective unless management evaluates the internal/external environmental conditions affecting an organisation. Under appropriate circumstances, appreciation of the study findings should yield their own benefits.

### 9.5 Recommendation for further research

The implications for future research that are suggested by the present study can be discussed in relation to the following three major aspects:

- (a) Investigating the application of market share objectives in managing the marketing activities of organisations that are operated in the industrial and service sectors. There is considerable evidence to suggest that the marketing concept has been increasingly adopted by those organisations, but no research is carried out to find out how market share objectives are used to formulate their marketing strategical and tactical plans. The findings of this study, which are restricted to the consumer products, may not be of immediate application to those products or services, since their problems and opportunities are different.
- (b) More research is needed to explore the effects of an organisation's capacity (in man, machine, plant, and money), and external environmental factors (governmental, social, and technological etc) on defining the market base for measuring a product's share level. As illustrated in this thesis, the previous research was concerned mainly with identifying the level of market share to be achieved under different sets of internal/external environmental conditions. Although the influence of these factors on market definitions was discussed and related to the stages of

product life cycle in this thesis, it was not investigated in the empirical study, since there was no reason to extend the coverage of this study any more

- (c) The final suggested area for research is the possibility of establishing an information system, linking different management levels of an organisation, for co-ordinating the process of defining the market base for calculating a product's share level. As illustrated before, this study could not achieve a sound conclusion regarding this aspect, and a wide definition of a market was mainly used to measure a product's share by different management levels. If this is the case, precise evaluation of the competitive performance of a product within a market segment may not be easy. This situation is complicated further when we know that segmenting the market has proved in this study to be important for designing different marketing planning levels. Further research is however needed in this area.

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pp 405-412

Appendix I The field research outlineTable 1 Top 600 Advertisers and the Survey population by product types

Product and Service classes	Top 600 Advertisers	Survey population
Food	153	152
Total of subgroup (i)	153	152
Drink	44	44
Tobacco	21	21
Total of subgroup (ii)	65	65
Household stores	36	36
Household appliances	22	21
Household equipment	15	12
Leisure equipment	23	14
Publishing	17	9
Retail and mail order	78	2
Institutional and industrial	9	1
Wearing apparel	10	10
Charity, education and societies	1	-
Entertainment	9	-
Financial	25	-
Government, development corporation and service recruitment	17	-
Holidays, travel and transport	26	-
Total of subgroup (iii)	288	105
Pharmaceutical	16	16
Toiletries and Cosmetics	33	33
Total of subgroup (iv)	49	49
Motor	45	44
Total of subgroup (v)	45	44
Total	600	415

# THE HENLEY DOCTORAL PROGRAMME

in conjunction with

BRUNEL UNIVERSITY

Administrative Staff College, Greenlands, Henley-on-Thames, Oxfordshire, RG9 3AU.  
Telephone: Hambleton (Bucks) 454 (049 166 454).

Research Programme Co-ordinator: Professor Malcolm Warner.



Dear Mr/Mrs/Miss

An organisation may set its marketing objectives, whether at the corporate level or at brand/product level, in a variety of ways, but so far no systematic enquiry has been undertaken into current practices in this area of management. I am now involved in a programme of research on this topic, and to gather information I am sending the enclosed questionnaire to a carefully selected sample of brand and product managers in the United Kingdom.

My sample has been selected from the top 600 brands ranked by their advertising expenditure in 1978-79. There is then a risk that if you are responsible for more than one brand ranked in these top 600, you may receive more than one questionnaire. If this should happen, will you please just fill in one of the forms in the appropriate way and return it to me, ignoring the others.

I hope you will be able to find time to complete a questionnaire for me. I have kept it as short as possible, but I shall be very glad to have any additional comments on the topic which you would like to include. If, in return for your collaboration, you would like to have a copy of my tabulations once they have been processed, I shall be delighted to send one to you. In any case, may I now thank you in anticipation of your help in this project.

Yours sincerely,

Wathek S Ramiz

Research Associate.

Henley



RESEARCH PROGRAMME

Wathek S. Ramiz

# THE HENLEY DOCTORAL PROGRAMME



In conjunction with

HENLEY UNIVERSITY

Administrative Staff College, Greenlands, Henley-on-Thames, Oxfordshire, RG9 3AU.

Phone: Hambleden (Bucks) 454 (049 166 454).

Arch Programme Co-ordinator: Professor Malcolm Warner.



## CONFIDENTIAL QUESTIONNAIRE

### Notes:

1. This is a confidential questionnaire, and the researcher guarantees that neither the identity of the respondent nor that of his Company will be disclosed at any time.
2. In the majority of questions, you need only place a tick in the relevant box, but where this does not apply please follow the instructions given.
3. After you have completed the questionnaire please return it to me in the envelope provided. THANK YOU VERY MUCH!

---

### PART 1

1. Name of your organisation:

2. U.K. Head Office address:

3. Type of industry:

4. Which brands/products are you responsible for:

## Part 2:

'A' Marketing objectives.

1. At the Company level. How is the main objective of your company's overall marketing strategy defined?

- a) To increase market share  c) To increase company profit   
 b) To increase sales volume  d) To achieve a target return on capital employed

e) Other (please state) \_\_\_\_\_

2. At the Marketing Division level. How does the marketing division define its own objectives within the marketing strategy?

- a) To increase market share  c) To increase gross profit   
 b) To increase sales volume  d) To achieve a target rate of return on capital employed

e) Other (please state) \_\_\_\_\_

3. At the product/brand level. What is the main objective of your product/brand marketing plan's'?

- a) To increase market share  c) To increase gross profit   
 b) To increase sales volume  d) To achieve a target rate of return on capital employed

e) Other (Please state) \_\_\_\_\_

4. For each of the major brands you control, where would you place it in product life cycle? Please write brand names against appropriate stages.

- a) Introduction stage \_\_\_\_\_ b) Mature stage \_\_\_\_\_  
 b) Growth stage \_\_\_\_\_ d) Decline stage \_\_\_\_\_

5. Do the dimensions in which you set your product/brand marketing plans vary through the different stages of the product life cycle?

Yes  No  Don't know

b) If YES:- In what way? \_\_\_\_\_

'B' Market Definition

1. Are you responsible for managing your products/brands?

- a) In International markets only.  c) Both UK and International markets   
 b) In the UK Domestic market only.  d) Other answers (please specify). \_\_\_\_\_

2. If you divide the market for your product/brand into sub-markets, what forms of market segmentation do you normally use?

- |                          |                          |                                 |                          |
|--------------------------|--------------------------|---------------------------------|--------------------------|
| a) By type of product    | <input type="checkbox"/> | d) By type of user              | <input type="checkbox"/> |
| b) By type of technology | <input type="checkbox"/> | e) By type of end use           | <input type="checkbox"/> |
| c) By region             | <input type="checkbox"/> | f) Other (please specify) _____ |                          |

3. a) Is your marketing organisation specifically geared to these market segments or not?

Yes  No

b) If YES: In what ways?

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'C' Assessing market shares.

There are several ways in which the market share of a product or brand may be calculated, and different companies will use different methods in comparing their own product/brand sales with market sales.

1. What figures do you use for your own sales when calculating market shares?

- |   |                          |                                 |                          |
|---|--------------------------|---------------------------------|--------------------------|
| a) Sales value                          | <input type="checkbox"/> | c) Unit sales                   | <input type="checkbox"/> |
| b) Sales Volume<br>(Tons, gallons etc.) | <input type="checkbox"/> | d) Other (please specify) _____ |                          |

2. What figure of market sales do you use as a base for your percentages?

- |   |                          |                                       |                          |
|---|--------------------------|---------------------------------------|--------------------------|
| a) Total industry sales                 | <input type="checkbox"/> | c) Sales of selected competing brands | <input type="checkbox"/> |
| b) Sales by all competing brands        | <input type="checkbox"/> | d) Sales in a limited market segment  | <input type="checkbox"/> |
| e) Other figures (please specify) _____ |                          |                                       |                          |

3. Have you any comments about the ways you use or calculate market shares?

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'D' Management responsibility.

1. Who decides the overall marketing strategy?

- a) Managing Director  c) Marketing Manager   
b) Marketing Director  d) Others (please specify) \_\_\_\_\_
- 

2. Who develops the product/brand marketing plan?

- a) Marketing Director  c) Sales Manager   
b) Marketing Manager  d) Brand Manager   
e) Others (please specify) \_\_\_\_\_
- 

3. Who is responsible for implementing the brand marketing plan?

- a) Brand manager  b) Functional manager e.g. sales, advertising etc.   
c) Others (please specify) \_\_\_\_\_
- 

'E' Opinion Section

1. Shown below are some statements about marketing. Please tick in the appropriate boxes to show how much you agree or disagree with each statement :-

a) Marketings' biggest contribution to a successful organisation's financial performance is to meet its market share objective.

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
----------------	-------	-----------	----------	-------------------

b) Dividing the market into sub-markets is essential for designing the marketing strategy.

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
----------------	-------	-----------	----------	-------------------

c) Dividing the market into sub-markets is essential for designing the product marketing plan.

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
----------------	-------	-----------	----------	-------------------

2. Please tick on the following scales: How important do you think the market share objectives are for a product at different stages in its product life cycle?

	Very important	Important	Not very important	Not at all important	Don't know
a. Introduction stage	<input type="checkbox"/>				
b. Growth stage	<input type="checkbox"/>				
c. Mature stage	<input type="checkbox"/>				
d. Decline stage	<input type="checkbox"/>				

f. If you have any other comments about the importance of market share, please use this space.

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PART III

1. Your name	<input type="text"/>	2. Your job title	<input type="text"/>
3. Your telephone number & ext: (in case of queries)	<input type="text"/>	4. Date	<input type="text"/>

i) All data provided will be treated as completely confidential

ii) Thank you for your effort and time.

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### CONFIDENTIAL QUESTIONNAIRE

#### Notes:

1. This is a confidential questionnaire, and the researcher guarantees that neither the identity of the respondent nor that of his Company will be disclosed at any time.
2. In the majority of questions, you need only place a tick in the relevant box, but where this does not apply please follow the instructions given.
3. After you have completed the questionnaire please return it to me in the envelope provided. THANK YOU VERY MUCH!

---

#### PART 1

1. Name of your organisation:
  2. U.K. Head Office address:
  3. Type of industry:
  4. Which brands/products are you responsible for:
-

2.

**PART II:**

**'A' Marketing objectives**

1. At the Company Level. How is the main objective of your company's overall marketing strategy defined?

- a) To increase market share
- b) To increase sales volume
- c) To increase company profit
- d) To achieve a target rate of return on capital employed

e) Other (please state) \_\_\_\_\_

2. At the Marketing Division Level. How does the marketing division define its own objectives within the marketing strategy?

- a) To increase market share
- b) To increase sales volume
- c) To increase gross profit
- d) To achieve a target rate of return on capital employed

e) Other (please state) \_\_\_\_\_

3. At the product/brand level. What is the main objective of your product/brand marketing plan(s)?

- a) To increase market share
- b) To increase sales volume
- c) To increase gross profit
- d) To achieve a target rate of return on capital employed

e) Other (please state) \_\_\_\_\_

4. For each of the major brands you control, where would you place it in its product life cycle? Please write brand names against appropriate stages.

- a) Introduction stage \_\_\_\_\_
- b) Growth stage \_\_\_\_\_
- c) mature stage \_\_\_\_\_
- d) decline stage \_\_\_\_\_

e) Other (please state) \_\_\_\_\_

5. a) Do the dimensions in which you set your product/brand marketing plans vary through the different stages of the product life cycle?

- Yes
- No
- Don't know

b) If Yes, in what way? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3.

'B' Market Definition

1. Are you responsible for managing your product /brand ?
- a) In international market only  c) Both UK and international markets
- b) In the UK domestic market only  d) Other (please specify) \_\_\_\_\_
- 

2. If you divide the market for your product/brand into sub-markets, what forms of market segmentation do you normally use?
- a) By type of product  d) By type of user
- b) By type of technology  e) By type of end use
- c) By region  f) Other (please specify) \_\_\_\_\_
- 

3. a) Is your marketing organization specifically geared to these market segments or not?
- Yes  No
- b) If Yes, in what ways? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- 

'C' Assessing Market shares

There are several ways in which the market share of a product or brand may be calculated and different companies will use different methods in comparing their own product/brand sales with market sales.

1. What figures do you use for your own sales when calculating market shares?
- a) Sales value  c) Unit sales
- b) Sales volume (tons, gallons etc)  d) Other (please specify) \_\_\_\_\_
- 

2. Is there a special reason for using this figure? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
-

4.

3. What figure of market sales do you use as a base for your percentages?

- a) Total industry sales
- b) Sales by all competing brands
- c) Sales of selected competing brands
- d) Sales in a limited market segment
- e) Other figures (please specify) \_\_\_\_\_

4. Is there a special reason for calculating market share on this market figure?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

'D' Management responsibility

1. Who decides the overall marketing strategy?

- a) Managing Director
- b) Marketing Director
- c) Marketing manager
- d) Others (please specify) \_\_\_\_\_

2. Who develops the product/brand marketing plan?

- a) Marketing Director
- b) Marketing Manager
- c) Sales Manager
- d) Brand Manager
- e) Others (please specify) \_\_\_\_\_

3. Who is responsible for implementing the product/brand marketing plan?

- a) Brand Manager
- b) Functional Manager e.g. sales, advertising etc.
- c) Others (please specify) \_\_\_\_\_

5.

'E' Opinion Section

1. Shown below are some statements about marketing. Please tick in the appropriate boxes to show how much you agree or disagree with each statement:-

- a) Marketing's biggest contribution to a successful organization's financial performance is to meet its market share objective.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
----------------	-------	-----------	----------	-------------------

- b) For overall marketing strategy. Dividing the market into submarkets is essential for designing the marketing strategy.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
----------------	-------	-----------	----------	-------------------

- c) For a product/brand marketing plan. Dividing the market into submarkets is essential for designing the product/brand marketing plan.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
----------------	-------	-----------	----------	-------------------

- d) The higher a manager is in his organization, the wider will be his definition of the market, for assessing market share.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
----------------	-------	-----------	----------	-------------------

6.

2. Please tick on the following scale: How important do you think the market share objectives are for a product at different stages in its product life cycle

Very Important	Important	Not very important	Not at all Important	Dont' know
----------------	-----------	--------------------	----------------------	------------

- a) Introduction stage
- b) Growth stage
- c) Mature stage
- d) Decline stage

3. If you have any other comments about the importance of market share, please use this space

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---



---

**PART III**

1. Your name
2. Your Job Title
3. Your telephone number : in case of queries
4. Date

- i) All data provided will be treated as completely confidential
- ii) Thank you for your effort and time

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Telephone: Hambleden (Bucks) 454 (049 166 454).

Research Programme Co-ordinator: Professor Malcolm Warner.

MW/JAG

March 26, 1980



Dear Sir/Madam,

Recently I sent you a questionnaire about marketing planning. I don't seem to have had a completed questionnaire from you. In case you have mislaid it, I am enclosing a copy and very much hope that you will be able to complete it so that the results will be fully representative.

If, in return for your co-operation, you would like to have a copy of my tabulations - once they have been processed - I shall be delighted to send one to you. In any case, may I now thank you in anticipation of your help in this project.

Yours sincerely,

Wathek S. Ramiz,  
Research Associate.

**Table 2** Estimating the effects of f.p.c. and deff on the results of this study (in terms of an attribute)

**A. Managerial Profile**

	No of <sup>(1)</sup> responded samples	In favour	Simple random samples		Stratified random samples		deff <sup>(2)</sup>
			s.e (p)	s.e (p) with f.p.c	s.e (P <sub>prop</sub> )	s.e(P <sub>prop</sub> ) with f.p.c	
Low management level	59	.25424	.05669	.04444			
Middle management level	65	.23077	.05226	.04965			
High management level	20	.40000	.10955	.0881			
Researcher	16	.50000	.1291	.1012			
<b>Total</b>	<b>160</b>	<b>.2875</b>	<b>.0358</b>	<b>.02805</b>	<b>.03509</b>	<b>.027506</b>	<b>.961</b>

(1) The data is obtained from Brands grouping A, Table 6.30, pp 180

(2) The deff in this case is the same for both sets of calculations since an overall correction factor equal to  $(1 - \frac{1}{160})$  has been applied to all strata

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**B. Nationality of brands profile**

	No of <sup>(1)</sup> responded samples	In favour	Simple random samples		Stratified random samples		deff	deff with f.p.c.
			s.e(p)	s.e(p) with f.p.c	s.e(P <sub>prop</sub> )	s.e(P <sub>prop</sub> ) with f.p.c		
British	105	.72381	.04363	.0336				
Foreign	55	.74546	.05874	.04734				
<b>Total</b>	<b>160</b>	<b>.73125</b>	<b>.03505</b>	<b>.02747</b>	<b>.03504</b>	<b>.02747</b>	<b>.999</b>	<b>1.</b>

(1) The data is obtained from Brands grouping A, Table 38, Appendix II,

Table 2 contd/.

## C. Industry type of brand profile

	No of <sup>(1)</sup> responded samples	In favour	Simple Random samples		Stratified random samples		deff	deff with f.p.c.
			s.e(p)	s.e(p) with f.p.c.	s.e(P <sub>prop</sub> )	s.e(P <sub>prop</sub> ) with f.p.c.		
Food	73	.68493	.05437	.0392				
Drink, tobacco	32	1.	0	0				
Household products	15	.53333	.13333	.12344				
Motor	18	.72222	.10863	.08641				
Pharmaceutical	22	.86364	.07316	.05174				
Total	160	.7625	.03364	.02637	.031618	.02483	.88687	.88661

(1) The data is obtained from Brands grouping A, Table 39, Appendix II

Table 3 Estimating the effects of f.p.c. and deff on the results of this study in terms of a variable

## A. Managerial Profile

	No of <sup>(1)</sup> responded samples	$\bar{x}_i$	Simple Random samples		Stratified Random samples		deff
			s.e( $\bar{x}_i$ )	s.e( $\bar{x}_i$ ) with f.p.c	s.e( $\bar{x}_{prop}$ )	s.e( $\bar{x}_{prop}$ ) with f.p.c.	
Low management level	53	-.245	.14346	.11246			
Middle management level	60	.1	.14663	.11494			
High management level	19	.158	.21175	.16598			
Researcher	12	-.167	.31053	.24342			
Total	144	-.042	.08941	.07008	.08874	.069557	.985

(1) The data is obtained from Brands grouping A, Table 6.32, pp 183

## B. Nationality of brand profile

	No of <sup>(1)</sup> responded samples	$\bar{x}_i$	Simple Random samples		Stratified Random samples		deff	deff with f.p.c.
			s.e( $\bar{x}_i$ )	s.e( $\bar{x}_i$ ) with f.p.c.	s.e( $\bar{x}_{prop}$ )	s.e( $\bar{x}_{prop}$ ) with f.p.c.		
British	103	.7185	.04432	.03435				
Foreign	50	.74	.06203	.05121				
Total	153	.7255	.03608	.02867	.03607	.02866	.999	.999

(1) The data is obtained from Brands grouping A, Table 9, Appendix II

## C. Industry type of brand profile

	No of <sup>(1)</sup> responded samples	$\bar{x}_i$	Simple Random samples		Stratified Random samples		deff	deff with f.p.c.
			s.e( $\bar{x}_i$ )	s.e( $\bar{x}_i$ ) with f.p.c	s.e( $\bar{x}_{prop}$ )	s.e( $\bar{x}_{prop}$ ) with f.p.c.		
Food	71	.7324	.05254	.03835				
Drink, tobacco	30	.6	.08944	.06563				
Household products	15	.8	.11066	.10245				
Motor	15	.9333	.06901	.05749				
Pharmaceutical	22	.6818	.0993	.0702				
Total	153	.7255	.03608	.02867	.0355	.02819	.968	.967

(1) The data is obtained from Brands grouping A, Table 6.12 pp 148

# THE HENLEY DOCTORAL PROGRAMME

in conjunction with

DUKE UNIVERSITY

Administrative Staff College, Greenlands, Henley-on-Thames, Oxfordshire, RG9 3AU.

Telephone: Hambleden (Bucks) 454 (049 166 454).

Research Programme Co-ordinator: Professor Malcolm Warner.



Dear

Last year you were kind enough to complete a questionnaire for me about marketing planning and the ways in which objectives were defined at different management levels.

I have now been able to collate and analyse the replies sent back by a sample of people engaged in marketing management and some interesting patterns have emerged. Now in order to help me in interpreting these results I am seeking to meet a small number of members of my sample for short individual discussions. Hence I am now writing to ask whether you would be willing to give me about an hour of your time to talk about some of my results.

In order to arrange a convenient time to come to see you I will ring your secretary during the next few days. I hope we can meet, because I feel that you may be interested in seeing some of the results I have obtained, and in discussing them with me.

Yours sincerely

Wathek S Ramiz  
Research Associate

Enc

## Summary of the findings

Three sets of criteria were used to classify respondents to the survey, managerial level, the type of industry involved, and whether the company was UK based or had an overseas parent.

### Marketing Objectives

Management at all levels agreed that profit objectives are required at all levels of planning. However Sales Volume or market share objectives become more common as one moved away from the corporate levels of planning down to the product or brand levels. As these factors become more important, so there is less emphasis on other measures, such as rate of return on capital employed.

When asked about the stage in the product life cycle of the brands in their care managers indicated that

5%	of brands are in the introduction stage
36%	growth stage
55%	mature stage
4%	decline stage

Managers indicated that market share objectives were more important during the first three stages of the cycle, and especially during growth and maturity. Market share becomes of much less importance in the decline stage.

### Assessing market shares

In most industries physical sales volume is used as the basis, and monetary values are avoided because of inflation. Some industries, such as the motor sub-group, work in units.

Senior managers tended to define their markets in wider terms than their juniors, reflecting the wider nature of their responsibilities.

Appendix II List of TablesTable 1 Industry type of brand by company's overall marketing objectives

## Brands grouping A

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub>	9	Total
Food (i)	4 15 (22.8)	11	48 (40.1)	22 (22.1)	3	2	85
Drinks, & tobacco (ii)	8 11 (12.1)	3	17 (21.2)	17 (11.7)	0	0	45
Household products Motor (iii)	2 11 24 (13.2)	1 10	12 4 16 (23.1)	3 6 9 (12.7)	0 2	0 0	49
Pharmaceutical (iv)	4 7 (8.9)	3	19 (15.6)	7 (8.5)	0	0	33
Total	57		100	55	5	2	212

$X^2 = 21.065$

D. f = 6 Significant at .01 probability level

## Managers grouping B

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub>	9	Total
Food (i)	2 10 (12.5)	8	23 (23.6)	16 (12.9)	1	1	49
Drinks & tobacco (ii)	6 9 (9.2)	3	16 (17.4)	11 (9.4)	0	0	36
Household products Motor (iii)	2 6 14 (8.7)	1 5	11 3 14 (16.4)	3 3 6 (8.9)	0 2	0 0	34
Pharmaceutical (iv)	2 3 (5.6)	1	15 (10.6)	4 (5.8)	0	0	22
Total	36 18 (35.25)	18 (35.25)	68 (35.25)	37 (35.25)	3	1	141

$X^2 = 9.766$

D. f = 6  $p > .05$ 

Overall  $X^2 = 47.398$

D. f = 3

Significant at .01 probability level

Table 2      Nationality of brand by company's overall marketing objectives

Brands grouping A

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub>	9	Total
British (i)	14 (19.4)	16 (18.8)	72 (67.0)	40 (36.8)	0	0	142
Foreign (ii)	15 (9.6)	12 (9.2)	28 (33.0)	15 (18.2)	5	2	70
Total	29 (53.0)	28 (53.0)	100 (53.0)	55 (53.0)	5	2	212

$$X^2 = 7.782 \quad D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 64.415 \quad D.f = 3 \quad \text{significant at .01 probability level}$$

Managers grouping B

	V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	V <sub>5</sub>	9	Total
British (i)	8 (11.9)	11 (11.9)	46 (44.8)	28 (24.4)	0	0	93
Foreign (ii)	10 (6.1)	7 (6.1)	22 (23.2)	9 (12.6)	3	1	48
Total	18 (35.25)	18 (35.25)	68 (35.25)	37 (35.25)	3	1	141

$$X^2 = 5.626 \quad D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 47.369 \quad D.f = 3 \quad \text{significant at .01 probability level}$$

Table 3 Industry type of brand versus marketing division objectives

Brands grouping A

	V <sub>6</sub>	V <sub>7</sub>	V <sub>8</sub>	V <sub>9</sub>	V <sub>10</sub>	9	Total
Food (i)	19 (23.7)	28 (22.6)	39 46 (46.7)	7	0	2	93
Drink & tobacco (ii)	19 (13.5)	10 (12.9)	18 24 (26.6)	6	0	0	53
Household products (iii)	4 (5.4)	2 (5.1)	15 15 (10.5)	0	0	0	21
Motor (iv)	11 (7.7)	12 (7.2)	2 7 (15.1)	5	1	0	30
Pharmaceutical (v)	6 (8.7)	4 (8.2)	19 24 (17.1)	5	1	0	34
Total	59	56	116		2	2	231

$$X^2 = 24.287$$

D.f = 8

significant at .01 probability level

## Managers grouping B

	V <sub>6</sub>	V <sub>7</sub>	V <sub>8</sub>	V <sub>9</sub>	V <sub>10</sub>	9	Total
Food (i)	10 (13.8)	17 (12.7)	25 30 (30.5)	5	0	1	57
Drink & tobacco (ii)	15 (10.7)	8 (9.8)	17 21 (23.5)	4	0	0	44
Household products Motor (iii)	4 6 (8.7)	2 7 (8.1)	14 1 17 (19.2)	0 2	0 1	0 0	36
Pharmaceutical (iv)	4 (5.8)	2 (5.4)	15 18 (12.8)	3	1	0	24
Total	39 (40.25)	36 (40.25)	86 72 (40.25)	14 (40.25)	2	1	161

$$X^2 = 10.194$$

D.f = 6

p &gt; .05

$$\text{Overall } X^2 = 42.653$$

D.f = 3

significant at .01 probability level

Table 4 Nationality of brand related to marketing division objectives

## Brands grouping A

	V <sub>6</sub>	V <sub>7</sub>	V <sub>8</sub>	V <sub>9</sub>	V <sub>10</sub>	9	Total
British (i)	39 (39.9)	36 (37.8)	67 (62.8)	14 (15.5)	1	0	156
Foreign (ii)	20 (19.1)	20 (18.2)	26 (30.2)	9 (7.5)	1	2	75
Total	59 (57.75)	56 (57.75)	93 (57.75)	23 (57.75)	2	2	231

$X^2 = 1.636$

D.f = 3

 $p > .05$ 

Overall  $X^2 = 42.506$

D.f = 3

significant at .01 probability level

## Managers grouping B

	V <sub>6</sub>	V <sub>7</sub>	V <sub>8</sub>	V <sub>9</sub>	V <sub>10</sub>	9	Total
British (i)	26 (26.6)	25 (24.6)	50 59 (58.8)	9	1	0	110
Foreign (ii)	13 (12.4)	11 (11.4)	22 27 (27.2)	5	1	1	51
Total	39 (40.25)	36 (40.25)	72 86 (40.25)	14 (40.25)	2	1	161

$X^2 = .066$

D.f = 2

 $p > .05$ 

Overall  $X^2 = 42.653$

D.f = 3

significant at .01 probability level

Table 5 Industry type of brand by product/brand marketing objectives

## Brands grouping A

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub>	9	Total
Food (i)	21 (28.0)	34 (28.4)	30 36 (34.7)	6	0	2	91
Drink & tobacco (ii)	18 (14.4)	15 (14.6)	11 14 (17.9)	3	0	0	47
Household products (iii)	8 (7.7)	6 (7.8)	10 11 (9.5)	1	0	0	25
Motor (iv)	13 (9.5)	11 (9.7)	2 7 (11.8)	5	1	0	31
Pharmaceutical (v)	11 (11.4)	6 (11.5)	20 20 (14.1)	0	0	0	37
Total	71 (57.75)	72 (57.75)	88 73 (57.75)	15 (57.75)	1	2	231

$X^2 = 13.983$

d.f = 8

p &gt; .05

Overall  $X^2 = 42.229$

d.f = 3

significant at .01 probability level

## Managers grouping B

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub>	9	Total
Food (i)	13 (16.7)	19 (16.4)	20 24 (22.9)	4	0	1	56
Drink & tobacco (ii)	14 (11.9)	13 (11.7)	10 13 (16.4)	3	0	0	40
Household products (iii)	7 (7.2)	6 (7.0)	10 11 (9.8)	1	0	0	24
Motor (iv)	8 (5.1)	6 (5.0)	1 3 (6.9)	2	1	0	17
Pharmaceutical (v)	7 (8.1)	4 (7.9)	16 16 (11.0)	0	0	0	27
Total	49 (41.0)	48 (41.0)	67 57 (41.0)	10 (41.0)	1	1	164

$X^2 = 11.201$

D.f = 8

p &gt; .05

Overall  $X^2 = 32.439$

D.f = 3

significant at .01 probability level

Table 6 Nationality of brand related to product/brand marketing objectives

## Brands grouping A

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub>	9	Total
British (i)	46 (45.5)	49 (46.1)	48 (46.8)	5 (9.6)	0	0	148
Foreign (ii)	25 (25.5)	23 (25.9)	25 (26.2)	10 (5.4)	1	2	83
Total	71 (57.75)	72 (57.75)	73 (57.75)	15 (57.75)	1	2	231

$$X^2 = 6.732$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 42.229$$

$$D.f = 3$$

significant at .01 probability level

## Managers grouping B

	V <sub>11</sub>	V <sub>12</sub>	V <sub>13</sub>	V <sub>14</sub>	V <sub>15</sub>	9	Total
British (i)	32 (32.0)	34 (31.3)	37 41 (43.7)	4	0	0	107
Foreign (ii)	17 (17.0)	14 (16.7)	20 26 (23.3)	6	1	1	57
Total	49 (41.0)	48 (41.0)	57 67 (41.0)	10 (41.0)	1	1	164

$$X^2 = 1.149$$

$$d.f = 2$$

$$p > .05$$

$$\text{Overall } X^2 = 32.439$$

$$d.f = 3$$

significant at .01 probability level

Table 7    Nationality of producers related to the allocation of brand in its life cycle

## Brands grouping A

	V <sub>16</sub>	V <sub>19</sub>	V <sub>17</sub>	V <sub>18</sub>	V <sub>20</sub>	9	Total
British (i)	6 13 (11.1)	7	27 (30.6)	55 (48.9)	6 (10.4)	6	101
Foreign (ii)	3 4 (5.9)	1	20 (16.4)	20 (26.1)	10 (5.6)	2	54
Total	17		47	75	16	8	155

$$X^2 = 9.657$$

D. f = 3    significant at .05 probability level

## Managers grouping B

	V <sub>16</sub>	V <sub>17</sub>	V <sub>19</sub>	V <sub>18</sub>	V <sub>20</sub>	9	Total
British (i)	4 22 29 (30.1)		3	38 (36.7)	5 (5.2)	2	72
Foreign (ii)	1 15 17 (15.9)		1	18 (19.3)	3 (2.8)	1	38
Total		46		56	8	3	110

$$X_2^2 = .272$$

D. f = 2

p > .05

$$X^2 = .253$$

D. f = 1

p > .05 (excluding V<sub>20</sub>)

Table 8 Respondents' management levels by the allocation of a brand in its life cycle

## Brands grouping A

	V <sub>16</sub>	V <sub>17</sub>	V <sub>19</sub>	V <sub>18</sub>	V <sub>20</sub>	9	Total
Low management level (i)	4	12 17 (24.5)	1	40 (28.4)	2 (6.1)	0	59
Middle management level (ii)	3	24 33 (25.4)	6	25 (29.3)	3 (6.3)	6	61
High management level Researcher (iii)	2 0	8 3 14 (14.1)	1 0	7 2 9 (16.3)	0 11 11 (3.6)	2 0	34
Total		64		74	16	8	154

$$X^2 = 32.904$$

D.f = 4 significant at .01 probability level

$$X^2 = 10.717$$

D.f = 2 significant at .01 probability level (excluding V<sub>20</sub>)

## Managers Grouping B

	V <sub>16</sub>	V <sub>17</sub>	V <sub>19</sub>	V <sub>18</sub>	V <sub>20</sub>	9	Total
Low management level (i)	2	10 13 (19.6)	1	30 (23.4)	2	0	43
Middle management level (ii)	2	19 23 (18.2)	2	17 (21.8)	2	2	40
High management level Researcher (iii)	1 0	5 3 10 (8.2)	1 0	6 2 8 (9.8)	0 4	1 0	18
Total		46		55	8	3	101

$$X^2 = 7.133$$

D.f = 2 significant at .05 probability level

Table 9 Nationality of brand by the effect of pLc on product/brand marketing plan

## Brands grouping A

	Yes	No	Don't know	9	Total
British (i)	74 (74.7)	15 (15.5)	14 (12.8)	2	103
Foreign (ii)	37 (36.3)	8 (7.5)	5 (6.2)	6	50
Total	111 (67)	23 (67)	19	8	153

$$X^2 = 0.414$$

$$D.f = 2$$

$$p > .05$$

$$\text{Overall } X^2 = 57.792$$

$$D.f = 1$$

significant at .01 probability level

## Managers grouping B

	Yes	No	Don't know	9	Total
British (i)	50 (52.5)	12 20 (17.5)	8	2	70
Foreign (ii)	28 (25.5)	3 6 (8.5)	3	5	34
Total	78 (46.5)	15 26 (46.5)	11	7	104

$$X^2 = 1.456$$

$$D.f = 1$$

$$p > .05$$

$$\text{Overall } X^2 = 42.678$$

$$D.f = 1$$

significant at .01 probability level

Table 10 Respondents management levels by effect of plc on product/  
brand marketing plan

## Brands grouping A

	Yes	No	Don't know	9	Total
Low management level (i)	47 (43.1)	10 12 (15.9)	2	0	59
Middle management level (ii)	45 (46.0)	6 18 (17.0)	12	2	63
High management level Researcher (iii)	12 7 19 (21.9)	0 6 11 (8.1)	5 0	3 3	30
Total	111 (66.5)	22 (66.5)	41 19	8	152

$$X^2 = 2.813$$

D.f = 2

p &gt; .05

$$\text{Overall } X^2 = 59.556$$

D.f = 1

significant at .01 probability level

## Managers grouping B

	Yes	No	Don't know	9	Total
Low management level (i)	36 (34.1)	7 9 (10.9)	2	0	45
Middle management level (ii)	29 (30.3)	5 11 (9.7)	6	2	40
High management level Researcher (iii)	9 4 13 (13.6)	0 2 5 (4.4)	3 0	2 3	18
Total	78 (46.0)	14 (46.0)	25 11 (46.0)	7	103

$$X^2 = 0.776$$

D.f = 2

p &gt; .05

$$\text{Overall } X^2 = 44.522$$

D.f = 1

significant at .01 probability level

**Table 11** Nationality of brand related to the ways of applying pLc in marketing planning

**Brands grouping A**

	1	2	3	4	5	6	9	Total
British (i)	13 (12.7)	12 (10.1)	22 (18.3)	2 8 (13.9)	6	1	20	55
Foreign (ii)	7 (7.3)	4 (5.9)	7 (10.7)	11 14 (8.1)	3	1	10	32
Total	20	16	29	22		2	30	87

$$X^2 = 9.817$$

D.f = 3

significant at .05 probability level

**Managers grouping B**

	1	2	3	4	5	6	9	Total
British (i)	10 (10.5)	9 (8.0)	13 (11.1)	2 7 (9.3)	5	1	12	39
Foreign (ii)	7 (6.5)	4 (5.0)	5 (6.9)	5 8 (5.7)	3	1	8	24
Total	17 (12.6)	13 (12.6)	18 (12.6)	7 15 (12.6)	8 (12.6)	2	20	63

$$X^2 = 2.733$$

D.f = 3

p > .05

$$\text{Overall } X^2 = 8.03$$

D.f = 4

p > .05

Table 12      Respondent's management levels by the ways of applying pLc in marketing planning

## Brands grouping A

	1	2	3	4	5	6	9	Total
Low management level (i)	14 (16.1)	5 (16.1)	15 (22.9)	2 (22.9)	3 (22.9)	2	7	39
Middle management level (ii)	5 (14.1)	9 (14.1)	12 (19.9)	4 (19.9)	4 (19.9)	0	12	34
High management level Researcher (iii)	1 0 3 (5.8)	2 0 0 (5.8)	1 1 1 (8.2)	3 4 11 (8.2)	1 1 1 (8.2)	0 0	7 4	14
Total	20 (17.4)	16 (17.4)	29 (17.4)	13 (17.4)	9 (17.4)	2	30	87

$$X^2 = 3.197 \quad D.f = 2 \quad p > .05$$

$$\text{Overall } X^2 = 13.403 \quad D.f = 4 \quad \text{significant at .01 probability level}$$

## Managers grouping B

	1	2	3	4	5	6	9	Total
Low management level (i)	12 (14.3)	5 (14.3)	9 (15.7)	2 (15.7)	2 (15.7)	2	5	30
Middle management level (ii)	4 (11.4)	6 (11.4)	7 (12.6)	3 (12.6)	4 (12.6)	0	6	24
High management level Researcher (iii)	1 0 3 (4.3)	2 0 0 (4.3)	1 1 1 (4.7)	1 1 6 (4.7)	1 1 1 (4.7)	0 0	5 4	9
Total	17 (12.6)	13 (12.6)	18 (12.6)	7 (12.6)	8 (12.6)	2	20	63

$$X^2 = 2.055 \quad D.f = 2 \quad p > .05$$

$$\text{Overall } X^2 = 8.032 \quad D.f = 4 \quad p > .05$$

Table 13 Industry type of brand by respondent geographical market responsibility

Brands grouping A

	V <sub>21</sub>	V <sub>22</sub>	V <sub>23</sub>	V <sub>24</sub>	9	Total
Food (i)	3	69	7	0	0	79
Drink, tobacco (ii)	0	31	1	0	0	32
Household products (iii)	0	14	2	0	0	16
Motor (iv)	0	16	2	0	0	18
Pharmaceutical (v)	3	19	0	0	0	22
Total	6	149	12	0	0	167

Managers grouping B

	V <sub>21</sub>	V <sub>22</sub>	V <sub>23</sub>	V <sub>24</sub>	9	Total
Food (i)	1	39	3	0	0	43
Drink, tobacco (ii)	0	24	1	0	0	25
Household products (iii)	0	13	2	0	0	15
Motor (iv)	0	10	2	0	0	12
Pharmaceutical (v)	1	17	0	0	0	18
Total	2	103	8	0	0	113

**Table 14** Respondent's management levels by their geographical market responsibility

**Brands grouping A**

	V <sub>21</sub>	V <sub>22</sub>	V <sub>23</sub>	V <sub>24</sub>	9	Total
Low management level (i)	0	56	3	0	0	59
Middle management level (ii)	6	58	7	0	0	71
High management level (iii)	0	18	2	0	0	20
Researcher (iv)	0	16	0	0	0	16
<b>Total</b>	<b>6</b>	<b>148</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>166</b>

**Managers grouping B**

	V <sub>21</sub>	V <sub>22</sub>	V <sub>23</sub>	V <sub>24</sub>	9	Total
Low management level (i)	0	44	1	0	0	45
Middle management level (ii)	2	37	5	0	0	44
High management level (iii)	0	12	2	0	0	14
Researcher (iv)	0	9	0	0	0	9
<b>Total</b>	<b>2</b>	<b>102</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>112</b>

Table 15 Industry type of brand by the selection of market segmentation types

## Brands grouping A

	V <sub>25</sub>	V <sub>26</sub>	V <sub>27</sub>	V <sub>28</sub>	V <sub>29</sub>	V <sub>30</sub>	9	Total
Food (i)	56 64 (64.9)	8	20 (22.7)	41 (46.3)	30 (21.1)	4(3)	2	155
Drink, tobacco (ii)	24 26 (26.0)	2	9 (9.0)	23 (18.5)	4 (8.5)	9(9)	0	62
Household products Motor (iii)	9 12 21 (22.2)	0 0	4 6 10 (7.8)	8 10 18 (15.8)	3 1 4 (7.2)	5(4) 0	2 1	53
Pharmaceutical (iv)	15 18 (15.9)	3	6 (5.5)	10 (11.4)	4 (5.2)	3(3)	0	38
Total	129 116 (61.6)	13 (61.6)	45 (61.6)	92, (61.6)	42 (61.6)	21(19)	5	308

$X^2 = 11.357$

D.f = 9

$p > .05$

Overall  $X^2 = 112.098$

D.f = 4

significant at .01 probability level

## Managers grouping B

	V <sub>25</sub>	V <sub>26</sub>	V <sub>27</sub>	V <sub>28</sub>	V <sub>29</sub>	V <sub>30</sub>	9	Total
Food (i)	30 34 (33.4)	4	13 (14.2)	22 36 (35.4)	14	3(2)	1	83
Drink, tobacco (ii)	20 21 (21.4)	1	9 (9.0)	19 23 (22.6)	4	6(6)	0	53
Household products Motor (iii)	9 6 15 (17.3)	0 0	4 6 10 (7.3)	8 6 18 (18.4)	3 1	5(4) 0	1 1	43
Pharmaceutical (iv)	13 15 (12.9)	2	4 (5.5)	9 13 (13.6)	4	2(2)	0	32
Total	85 78 (42.2)	7 (42.2)	36 (42.2)	90 64 (42.2)	26 (42.2)	16(14)	3	211

$X^2 = 2.229$

D.f = 6

$p > .05$

Overall  $X^2 = 78.124$

D.f = 4

significant at .01 probability level

Table 16 Nationality of brand by the selection of market segmentation types

## Brands grouping A

	V <sub>25</sub>	V <sub>26</sub>	V <sub>27</sub>	V <sub>28</sub>	V <sub>29</sub>	V <sub>30</sub>	9	Total
British (i)	77 (72.7)	8 (8.2)	28 (28.2)	56 (57.6)	24 (26.3)	15(15)	4	193
Foreign (ii)	39 (43.3)	5 (4.8)	17 (16.8)	36 (34.4)	18 (15.7)	6(4)	1	115
Total	116 (61.6)	13 (61.6)	45 (61.6)	92 (61.6)	42 (61.6)	21(19)	5	308

$X^2 = 1.353$

D.f = 4

p. &gt; .05

Overall  $X^2 = 112.098$

D.f = 4

significant at .01 probability level

## Managers grouping B

	V <sub>25</sub>	V <sub>26</sub>	V <sub>27</sub>	V <sub>28</sub>	V <sub>29</sub>	V <sub>30</sub>	9	Total
British (i)	54 58 (53.2)	4 20 (22.5)	40 (40.0)	14 (16.3)	10(10)	2	132	
Foreign (ii)	24 27 (31.8)	3 16 (13.5)	24 (24.0)	12 (9.7)	6(4)	1	79	
Total	85 78 (42.2)	7 36 (42.2)	64 (42.2)	26 (42.2)	16(14)	3	211	

$X^2 = 2.769$

D.f = 3

p &gt; .05

Overall  $X^2 = 78.123$

D.f = 4

significant at .01 probability level

**Table 17** Industry type of brand and whether market segmentation affects the marketing division structure

Brands grouping A			Other		
	Yes	No	Comments	9	Total
Food (i)	48 (48.0)	22 (22.0)	1	2	70
Drink, and tobacco (ii)	22 (22.0)	10 (10.0)	0	0	32
Household products Motor (iii)	9 12 21 (20.6)	4 5 9 (9.4)	1 0	2 1	30
Pharmaceutical (iv)	14 (14.4)	7 (6.6)	0	1	21
Total	105 (76.5)	48 (76.5)	2	6	153

$$X^2 = 0.06$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 21.236$$

$$D.f = 1$$

significant at .01 probability level

Managers grouping B			Other		
	Yes	No	Comments	9	Total
Food (i)	26 (26.4)	13 (12.6)	1	1	39
Drink, and tobacco (ii)	16 (16.9)	9 (8.1)	0	0	25
Household products Motor (iii)	9 7 16 (16.2)	4 4 8 (7.8)	1 0	1 1	24
Pharmaceutical (iv)	13 (11.5)	4 (5.5)	0	1	17
Total	71 (52.5)	34 (52.5)	2	4	105

$$X^2 = 0.78$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 13.038$$

$$D.f = 1$$

significant at .01 probability level

Table 18 Nationality of brand and whether market segmentation affects marketing division structure

Brands grouping A		Other			
	Yes	No	Comments	9	Total
British (i)	70 (69.3)	31 (31.7)	0	4	101
Foreign (ii)	35 (35.7)	17 (16.3)	2	2	52
Total	105 (76.5)	48 (76.5)	2	6	153

$$X^2 = 0.067$$

D.f = 1

$$p > .05$$

$$\text{Overall } X^2 = 21.236 \quad \text{D.f} = 1$$

significant at .01 probability level

Managers grouping B		Other			
	Yes	No	Comments	9	Total
British (i)	45 (47.3)	25 (22.7)	0	2	70
Foreign (ii)	26 (23.7)	9 (11.3)	2	2	35
Total	71 (52.5)	34 (52.5)	2	4	105

$$X^2 = 1.036$$

D.f = 1

$$p > .05$$

$$\text{Overall } X^2 = 13.038 \quad \text{D.f} = 1$$

significant at .01 probability level

Table 19 Industry type of brand by the application of market segments

## Brands grouping A

	1	2	3	9	Total
Food (i)	16 (19.2)	14 22 (18.8)	8	10	38
Drink, and tobacco (ii)	8 (8.6)	4 9 (8.4)	5	5	17
Household products Motor (iii)	3 12 15 (9.1)	1 0 3 (8.9)	2 0	3 0	18
Pharmaceutical (iv)	4 (6.1)	6 8 (5.9)	2	2	12
Total	43	42		20	85

$X^2 = 10.369$

D. f = 3

significant at .05 probability level

## Managers grouping B

	1	2	3	9	Total
Food (i)	8 (10.5)	9 13 (10.5)	4	5	21
Drink, and tobacco (ii)	7 (6.5)	3 6 (6.5)	3	3	13
Household products Motor (iii)	3 7 10 (6.5)	1 0 3 (6.5)	2 0	3 0	13
Pharmaceutical (iv)	4 (5.5)	5 7 (5.5)	2	2	11
Total	29 (19.3)	18 29 (19.3)	11 (19.3)	13	58

$X^2 = 5.7$

D. f = 3

p &gt; .05

Overall  $X^2 = 8.532$

D. f = 2

significant at .05 probability level

Table 20

Nationality of brand by the application of market segments

## Brands grouping A

	1	2	3	9	Total
British (i)	25 (29.3)	21 (17.1)	12 (11.6)	12	58
Foreign (ii)	18 (13.7)	4 (7.9)	5 (5.4)	8	27
Total	43 (28.3)	25 (28.3)	17 (28.3)	20	85

$X^2 = 4.84$

D.f = 2

$p > .05$

Overall  $X^2 = 12.533$

D.f = 2

significant at .01 probability level

## Managers grouping B

	1	2	3	9	Total
British (i)	17 (18.5)	14 20 (18.5)	6	8	37
Foreign (ii)	12 (10.5)	4 9 (10.5)	5	5	21
Total	29 (19.3)	29 18 (19.3),	11 (19.3)	13	58

$X^2 = .673$

D.f = 1

$p > .05$

Overall  $X^2 = 8.532$

D.f = 2

significant at .05 probability level

Table 21      Nationality of brand by sales figures employed for measuring market share

## Brands grouping A

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub>	9	Total
British (i)	50 (49.5)	81 (69.0)	39 (51.5)	3	0	170
Foreign (ii)	26 (26.5)	25 (37.0)	40 (27.5)	2	0	91
Total	76	106	79	5	0	261

$$X^2 = 14.709$$

D.f = 2      significant at .01 probability level

## Managers grouping B

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub>	9	Total
British (i)	34 (33.6)	52 (44.6)	29 (36.8)	1	0	115
Foreign (ii)	18 (18.4)	17 (24.4)	28 (20.2)	1	0	63
Total	52	69	57	2	0	178

$$X^2 = 8.151$$

D.f = 2      significant at .05 probability level

**Table 22** Respondent's management levels by sales figures employed for measuring market shares

## Brands grouping A

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub>	9	Total
Low management level (i)	33 (30.1)	46 (42.0)	24 (30.9)	2	0	103
Middle management level (ii)	29 (31.0)	46 (43.2)	31 (31.8)	3	0	106
High management level (iii)	8 (8.5)	7 (11.8)	14 (8.7)	0	0	29
Researcher (iv)	6 (6.4)	7 (9.0)	9 (6.6)	0	0	22
Total	76 (86.7)	106 (86.7)	78 (86.7)	5	0	260

$$X^2 = 9.084$$

D.f = 6

p &gt; .05

$$\text{Overall } X^2 = 6.49$$

D.f = 2

significant at .05 probability level

## Managers grouping B

	V <sub>31</sub>	V <sub>32</sub>	V <sub>33</sub>	V <sub>34</sub>	9	Total
Low management level (i)	26 (22.6)	33 (30.0)	18 (24.4)	1	0	77
Middle management level	17	28	23	1	0	79
Researcher	2	3	6	0	0	
(ii)	19 (23.2)	31 (30.8)	29 (25.0)			
High management level (iii)	7 (6.2)	5 (8.2)	9 (6.6)	0	0	21
Total	52 (59.0)	69 (59.0)	56 (59.0)	2	0	177

$$X^2 = 6.117$$

D.f = 4

p &gt; .05

$$\text{Overall } X^2 = 2.679$$

D.f = 2

p &gt; .05

**Table 23 Respondent's management levels by the reasons for using a particular sales figure(s) for measuring market share**

**Brands grouping A**

	1	4	2	5	3	6	7	8	10	9	Total
Low management level (i)	5 10 (9.8)	5	6 8 (10.3)	2 2 (10.6)	11	1	1 12 (10.3)	7	3	18	41
Middle management level (ii)	6 9 (9.4)	3	4 9 (9.7)	5 5 (10.2)	10	2	6 11 (9.7)	3	0	26	39
High management level Researcher (iii)	0 2 4 (3.8)	2 0	3 2 7 (4.0)	1 1 4 (4.2)	3 1	0 1	0 0 1 (4.0)	0 0	0 0	11 9	16
Total	23 13 10 (10.7) (10.7)		24 15 9 (10.7) (10.7)		25 25 (10.7)	4 4 (10.7)	7 7 (10.7)	10 10 (10.7)	3 3 (10.7)	64	96

$$X^2 = 5.58$$

$$D.f = 6$$

$$p > .05$$

$$X^2 = .149$$

$$D.f = 3$$

$$p > .05 \text{ (excluding subgroup iii)}$$

$$\text{Overall } X^2 = 32.71$$

$$D.f = 8$$

significant at .01 probability level

**Managers grouping B**

	1	4	2	5	3	6	7	8	10	9	Total
Low management level (i)	3 8 (7.4)	5	5 7 (9.1)	2 2 (8.7)	9	1	1 9 (7.8)	6	1	12	33
Middle management level (ii)	3 5 (6.3)	2	4 8 (7.7)	4 4 (7.4)	7	2	3 8 (6.6)	3	0	14	28
High management level Researcher (iii)	0 2 4 (3.3)	2 0	2 2 6 (4.2)	1 1 4 (3.9)	3 1	0 1	0 0 1 (3.6)	0 0	0 0	6 2	15
Total	17 8 9 (8.4) (8.4)		21 13 8 (8.4) (8.4)		20 20 (8.4)	4 4 (8.4)	4 4 (8.4)	9 9 (8.4)	1 1 (8.4)	34	76

$$X^2 = 4.128$$

$$D.f = 6$$

$$p > .05$$

$$X^2 = .665$$

$$D.f = 3$$

$$p > .05 \text{ (excluding subgroup iii)}$$

$$\text{Overall } X^2 = 29.791$$

$$D.f = 8$$

significant at .01 probability level

**Table 24** Nationality of brand by the reasons for using a particular sales figure(s) for measuring market share

## Brands grouping A

	1	4	2	5	3	6	7	8	10	9	Total	
British (i)	11 (16.1)	6	7 (16.7)	5 (16.7)	12 (17.5)	17	4	7 (16.7)	7 (16.7)	3	38	67
Foreign (ii)	2	4	8	4	8	0	0	3 (7.3)	0		27	29
Total	23		24		25			24		65	96	

$$X^2 = 8.203$$

D. f = 3 significant at .05 probability level

## Managers grouping B

	1	4	2	5	3	6	7	8	10	9	Total
British (i)	6 (11.0)	5	6 (13.5)	5 (13.5)	12 (12.9)	4	4 (11.6)	6 (11.6)	1	23	49
Foreign (ii)	2	4	7 (7.5)	3 (7.5)	8 (7.1)	0	0	3 (6.4)	0	12	27
Total	8 (8.4)	9 (8.4)	13 (8.4)	8 (8.4)	20 (8.4)	4 (8.4)	4 (8.4)	9 (8.4)	1 (8.4)	35	76

$$X^2 = 4.276$$

D. f = 3

$p > .05$

$$\text{Overall } X^2 = 29.791$$

D. f = 8

significant at .01 probability level

Table 25 Industry type of brand related to market sales figures employed for measuring market shares

## Brands grouping A

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub>	9	Total
Food (i)	47 (50.2)	35 (35.5)	12 48 (44.3)	36	3	0	130
Drink, and tobacco (ii)	24 (23.6)	15 (16.6)	6 22 (20.8)	16	0	0	61
Household products (iii)	9 (8.1)	5 (5.7)	1 7 (7.2)	6	0	2	21
Motor (iv)	12 (7.3)	3 (5.2)	4 4 (6.5)	0	0	0	19
Pharmaceutical (v)	10 (12.8)	14 (9.0)	5 9 (11.2)	4	0	0	33
Total	102 (66.0)	72 (66.0)	28 90 (66.0)	62 (66.0)	3	2	264

$$X^2 = 9.684$$

$$D.f = 8$$

$$p > .05$$

$$\text{Overall } X^2 = 42.302$$

$$D.f = 3$$

significant at .01 probability level

Table 25 contd/.

## Managers grouping B

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub>	9	Total
Food (i)	25 (26.3)	18 (19.1)	6 23 (20.6)	17	1	0	66
Drink, and tobacco (ii)	19 (18.3)	11 (13.3)	4 16 (14.4)	12	0	0	46
Household products Motor (iii)	9 9 18 (13.6)	5 3 8 (9.8)	1 1 8 (10.6)	6 0	0 0	1 0	34
Pharmaceutical (iv)	7 (10.8)	13 (7.8)	4 7 (8.4)	3	0	0	27
Total	69 (43.25)	50 (43.25)	16 54 (43.25)	38 (43.25)	1	1	173

$$X^2 = 8.44$$

$$D.f = 6$$

$$p. > .05$$

$$\text{Overall } X^2 = 34.191$$

$$D.f = 3$$

significant at .01 probability level

Table 26      Nationality of brand by market sales figures  
employed for measuring market shares

## Brands grouping A

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub>	9	Total
British (i)	68 (69.2)	43 (48.8)	20 (19.0)	48 (42.0)	3	2	179
Foreign (ii)	34 (32.8)	29 (23.2)	8 (9.0)	14 (20.0)	0	0	85
Total	102 (66.0)	72 (66.0)	28 (66.0)	62 (66.0)	3	2	264

$$X^2 = 5.025$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 42.302$$

$$D.f = 3$$

significant at .01 probability level

## Managers grouping B

	V <sub>35</sub>	V <sub>36</sub>	V <sub>37</sub>	V <sub>38</sub>	V <sub>39</sub>	9	Total
British (i)	46 (45.9)	28 (33.2)	11 (10.6)	30 (25.3)	1	1	115
Foreign (ii)	23 (23.1)	22 (16.8)	5 (5.4)	8 (12.7)	0	0	58
Total	69 (43.25)	50 (43.25)	16 (43.25)	38 (43.25)	1	1	173

$$X^2 = 5.081$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 34.19$$

$$D.f = 3$$

significant at .01 probability level

Table 27 Industry type of brand by reasons of selecting market sales figure

## Brands grouping A

	1	2	3	4	5	6	7	9	Total
Food (i)	17 (12.9)	9 11 (15.9)	2	15 (14.2)	0	3	3	24	43
Drink, tobacco (ii)	7 (6.3)	4 7 (7.8)	3	7 (6.9)	1	0	0	10	21
Household products Pharmaceutical (iii)	2 4 6 (5.7)	1 6 8 (7.0)	0 1	3 2 5 (6.3)	0 2	2 0	0 0	8 7	19
Motor (iv)	0 (5.1)	5 11 (6.3)	6	6 (5.6)	0	0	0	1	17
Total	30 (25.0)	37 25 12 (25.0)		33 (25.0)	3	5	3	50	100

$X^2 = 12.081$

Overall  $X^2 = 10.32$

D.f = 6

D.f = 3

$p > .05$

significant at .05 probability level

## Managers grouping B

	1	2	3	4	5	6	7	9	Total
Food (i)	9 (7.6)	6 7 (9.9)	1	11 (9.5)	0	1	1	12	27
Drink, tobacco (ii)	5 (4.5)	4 6 (5.9)	2	5 (5.6)	1	0	0	8	16
Household products Motor Pharmaceutical (iii)	2 0 4 6 (7.9)	1 4 4 13 (10.2)	0 3 1	3 4 2 9 (9.9)	0 0 1	2 0 0	0 0 0	7 1 6	28
Total	20 (17.75)	26 19 7 (17.75)		25 (17.75)	2	3	1	34	71

$X^2 = 2.773$

Overall  $X^2 = 9.845$

D.f = 4

D.f = 3

$p > .05$

significant at .05 probability level

Table 28 Nationality of brand by reasons of selecting market sales figure

## Brands grouping A

	1	2	3	4	5	6	7	9	Total
British (i)	19 (18.0)	13 20 (22.2)	7	21 (19.8)	3	5	3	34	60
Foreign (ii)	11 (12.0)	12 17 (14.8)	5	12 (13.2)	0	0	0	16	40
Total	30 (25.0)	25 37 (25.0)	12 (25.0)	33 (25.0)	3	5	3	50	100

$$X^2 = .866$$

$$D.f = 2$$

$$p > .05$$

$$\text{Overall } X^2 = 10.32$$

$$D.f = 3$$

significant at .05 probability level

## Managers grouping B

	1	2	3	4	5	6	7	9	Total
British (i)	11 (11.8)	9 14 (15.4)	5	17 (14.8)	2	3	1	24	42
Foreign (ii)	9 (8.2)	10 12 (10.6)	2	8 (10.2)	0	0	0	10	29
Total	20 (17.75)	19 26 (17.75)	7 (17.75)	25 (17.75)	2	3	1	34	71

$$X^2 = 1.246$$

$$D.f = 2$$

$$p > .05$$

$$\text{Overall } X^2 = 9.845$$

$$D.f = 3$$

significant at .05 probability level

Table 29 Nationality of brand by type of managers responsible for deciding the overall marketing strategy

## Brands grouping A

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub>	9	Total
British (i)	31 (40.8)	75 (70.6)	37 (31.6)	17(10)	0	143
Foreign (ii)	35 (25.2)	39 (43.4)	14 (19.4)	19(16)	0	88
Total	66	114	51	36(26)	0	231

$$X^2 = 9.311$$

D. f = 2 significant at .01 probability level

## Managers grouping B

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub>	9	Total
British (i)	21 (24.2)	50 (49.6)	25 (22.2)	13(6)	0	96
Foreign (ii)	16 (12.8)	26 (26.4)	9 (11.8)	13(10)	0	51
Total	37 (49.0)	76 (49.0)	34 (49.0)	26(16)	0	147

$$X^2 = 2.249$$

D. f = 2      $p > .05$

$$\text{Overall } X^2 = 22.408$$

D. f = 2     significant at .01 probability level

Table 30

Industry type of brand by type of managers responsible for  
deciding the overall marketing strategy

## Brands grouping A

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub>	9	Total
Food (i)	29 (27.7)	47 (47.9)	21 (21.4)	17(11)	0	97
Drink, and tobacco (ii)	15 (14.6)	24 (25.1)	12 (11.3)	8(6)	0	51
Household products	5	13	4	4(4)	0	50
Motor (iii)	10 (14.3)	15 (24.7)	3 (11.0)	2(2)	0	
Pharmaceutical (iv)	7 (9.4)	15 (16.3)	11 (7.3)	5(3)	0	33
Total	66 (77.0)	114 (77.0)	51 (77.0)	36(26)	0	231

$X^2 = 4.709$

D.f = 6

p &gt; .05

Overall  $X^2 = 28.129$

D.f = 2

significant at .01 probability level

## Managers grouping B

	V <sub>40</sub>	V <sub>41</sub>	V <sub>42</sub>	V <sub>43</sub>	9	Total
Food (i)	12 (13.1)	25 (26.9)	15 (12.0)	11(5)	0	52
Drink, and tobacco (ii)	10 (8.8)	18 (18.1)	7 (8.1)	5(3)	0	35
Household products	4	12	3	3(3)	0	36
Motor (iii)	6 (9.1)	9 (18.6)	2 (8.3)	2(2)	0	
Pharmaceutical (iv)	10 (6.0)	21 (12.4)	5 (5.6)	5(3)	0	24
Total	37 (49.0)	76 (49.0)	34 (49.0)	26(16)	0	147

$X^2 = 3.531$

D.f = 6

p &gt; .05

Overall  $X^2 = 22.409$

D.f = 2

significant at .01 probability level

Table 31 Industry type of brand by manager developing the product/  
brand marketing plan

## Brands grouping A

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub>	9	Total
Food (i)	7 (14.2)	34 37 (36.5)	3	53 (46.3)	5(5)	0	97
Drink, tobacco (ii)	11 (6.5)	13 13 (16.5)	0	20 (21.0)	4(4)	0	44
Household products Motor Pharmaceutical (iii)	4 5 5 14 (11.3)	9 11 8 32 (29.0)	0 3 1	9 1 21 31 (36.7)	0 6(6) 1(1)	0 0 0	77
Total	32	82		104	16(16)	0	218

$$X^2 = 10.378$$

D. f = 4 significant at .05 probability level

## Managers grouping B

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub>	9	Total
Food (i)	5 (8.8)	17 19 (19.1)	2	31 (27.1)	2(2)	0	55
Drink, tobacco (ii)	7 (5.4)	10 10 (11.8)	0	17 (16.8)	2(2)	0	34
Household products Motor Pharmaceutical (iii)	4 5 3 12 (9.8)	9 6 5 23 (21.1)	0 2 1	8 1 17 26 (30.1)	0(0) 5(5) 1(1)	0 0 0	61
Total	24 (50.0)	52 (50.0)		74 (50.0)	10(10)	0	150

$$X^2 = 4.177$$

D. f = 4  $p > .05$

$$\text{Overall } X^2 = 25.12$$

D. f = 2 significant at .01 probability level

Table 32      Nationality of brand related manager developing the product/brand marketing plan

## Brands grouping A

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub>	9	Total
British (i)	19 (22.0)	46 50 (56.4)	4	81 (71.6)	9(9)	0	150
Foreign (ii)	13 (10.0)	29 32 (25.6)	3	23 (32.4)	7(7)	0	68
Total	32	82		104	16(16)	0	218

$$X^2 = 7.596$$

D. f = 2

significant at .05 probability level

## Managers grouping B

	V <sub>44</sub>	V <sub>45</sub>	V <sub>46</sub>	V <sub>47</sub>	V <sub>48</sub>	9	Total
British (i)	13 (16.2)	31 34 (35.0)	3	54 (49.8)	4(4)	0	101
Foreign (ii)	11 (7.8)	16 18 (17.0)	2	20 (24.2)	6(6)	0	49
Total	24 (37.5)	52 47 (37.5)	5 (37.5)	74 (37.5)	10(10)	0	150

$$X^2 = 3.116$$

D. f = 2

p &gt; .05

$$\text{Overall } X^2 = 70.96$$

D. f = 3

significant at .01 probability level

Table 33 Industry type of brand by managers implementing the product/brand marketing plan

Brands grouping A

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub>	9	Total
Food (i)	61 (57.9)	20 (23.1)	5(4)	0	81
Drink, tobacco (ii)	28 (22.9)	4 (9.1)	2(1)	0	32
Household products Pharmaceutical	11 20 31 (27.8)	5 3 8 (11.2)	2(2) 0	0 0	39
Motor (iv)	5 (16.4)	18 (6.6)	6(6)	0	23
Total	125	50	15(13)	0	175

$$X^2 = 33.473$$

D. f = 3 significant at .01 probability level

Managers grouping B

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub>	9	Total
Food (i)	36 (32.6)	7 (10.4)	3(2)	0	43
Drink, tobacco (ii)	21 (19.0)	4 (6.0)	2(1)	0	25
Household products Motor Pharmaceutical	10 5 16 31 (36.4)	5 9 3 17 (11.6)	2(2) 3(3) 0	0 0 0	48
Total	88	28	10(8)	0	116

$$X^2 = 15.66$$

D. f = 2 significant at .01 probability level

Table 34 Nationality of brand by managers implementing the product/brand marketing plan

## Brands grouping A

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub>	9	Total
British (i)	93 (81.4)	21 (32.6)	8(7)	0	114
Foreign (ii)	32 (43.6)	29 (17.4)	7(6)	0	61
Total	125	50	15(13)	0	175

$X^2 = 16.6$       D.f = 1      significant at .01 probability level

## Managers grouping B

	V <sub>49</sub>	V <sub>50</sub>	V <sub>51</sub>	9	Total
British (i)	62 (56.9)	13 (18.1)	6(5)	0	75
Foreign (ii)	26 (31.1)	15 (9.9)	4(3)	0	41
Total	88	28	10(8)	0	116

$X^2 = 5.357$       D.f = 1      significant at .05 probability level

**Table 35** Industry type of brands related to the contribution of market share objective towards organisation's financial objectives

## Brands grouping A

	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
Food (i)	14 47 (43.3)	33	9	17 17 (20.7)	0	0	64	-0.603
Drink, tobacco (ii)	6 19 (19.6)	13	3	8 10 (9.4)	2	0	29	-0.406
Household products Motor (iii)	4 0 15 (20.3)	7 4	1 3	3 10 15 (9.7)	1 1	0 0	30	-0.625 +0.444
Pharmaceutical (iv)	3 17 (14.8)	14	0	4 5 (7.2)	1	0	22	-0.636
Total	98 27 (32.2)	71 (32.2)	16 (32.2)	47 42 (32.2)	5 (32.2)	0	145	-0.453

$$X^2 = 6.312$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 81.702$$

$$D.f = 4$$

significant at .01 probability level

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Table 35 contd/.

## Managers grouping B

	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
Food (i)	10 28 (25.5)	18	3	10 10 (12.5)	0	0	38	-0.683
Drink, tobacco (ii)	4 15 (15.4)	11	2	6 8 (7.6)	2	0	23	-0.36
Household products Motor (iii)	4 0 12 (16.1)	6 2	1 2	3 7 12 (7.9)	1 1	0 0	24	-0.6 +0.583
Pharmaceutical (iv)	3 14 (12.0)	11	0	3 4 (6.0)	1	0	18	-0.667
Total	21 69 (22.2)	48 (22.2)	8 (22.2)	29 34 (22.2)	5 (22.2)	0	103	-0.46

$$X^2 = 4.948$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 54.541$$

$$D.f = 4$$

significant at .01 probability level

Table 36

Nationality of brand by the contribution of market share  
objective towards organisation's financial objectives

## Brands grouping A

	Strongly disagree	Disagree	Uncertain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	17 (17.6)	53 (46.3)	7 (10.4)	25 28 (30.7)	3	0	105	-0.533
Foreign (ii)	10 (9.4)	18 (24.7)	9 (5.6)	17 19 (16.3)	2	0	56	-0.304
Total	27 (32.2)	71 (32.2)	16 (32.2)	42 47 (32.2)	5 (32.2)	0	161	-0.453

$$X^2 = 6.706$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 81.701$$

$$D.f = 4 \quad \text{significant at .01 probability level}$$

## Managers grouping B

	Strongly disagree	Disagree	Uncertain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	14 (13.6)	33 (31.1)	4 (5.2)	18 21 (22.1)	3	0	72	-0.514
Foreign (ii)	7 (7.4)	15 (16.9)	4 (2.8)	11 13 (11.9)	2	0	39	-0.359
Total	21 (22.2)	48 (22.2)	8 (22.2)	29 34 (22.2)	5 (22.2)	0	111	-0.46

$$X^2 = 1.312$$

$$D.f = 3 \quad p > .05$$

$$X^2 = .416$$

$$D.f = 2 \quad p > .05 \text{ (excluding uncertain category)}$$

$$\text{Overall } X^2 = 54.541$$

$$D.f = 4 \quad \text{significant at .01 probability level}$$

Table 37 Industry type of brand by the necessity of dividing the market for designing the marketing strategy

## Brands grouping A

	Com- ments	Strongly Disagree	Dis- agree	Un- certain	Agree	Strongly Agree	9	Total	Weighted Average
Food	0	0	16	7	31	19	0	105	+0.726
Drink, and tobacco	0	0	2	4	14	12	0		+1.125
(i)			18 (16.4)	11 (11.8)	45 (50.5)	31 (26.3)			
Household products	1	0	1	3	9	2	0	55	+0.8
Motor	0	0	1	3	9	5	0		+1.0
Pharmaceutical	0	0	5	1	14	2	0		+0.591
(ii)			7 (8.6)	7 (6.2)	32 (26.5)	9 (13.7)			
Total	1	0	25 (40)	18 (40)	77 (40)	40 (40)	0	160	+0.825

$$X^2 = 4.804$$

D.f = 3

p &gt; .05

$$\text{Overall } X^2 = 51.95$$

D.f = 3

significant at .01 probability level

## Managers grouping B

	Com- ments	Strongly Disagree	Dis- agree	Un- certain	Agree	Strongly Agree	9	Total	Weighted Average
Food	0	0	9	5	17	10	0	66	+0.683
Drink and tobacco	0	0	1	2	12	10	0		+1.24
(i)			10 (9.0)	7 (7.2)	29 (32.4)	20 (17.4)			
Household products	1	0	1	2	9	2	0	44	+0.857
Motor	0	0	1	2	4	5	0		+1.083
Pharmaceutical	0	0	3	1	12	2	0		+0.722
(ii)			5 (6.0)	5 (4.8)	25 (21.6)	9 (11.6)			
Total	1	0	15 (27.5)	12 (27.5)	54 (27.5)	29 (27.5)	0	110	+0.882

$$X^2 = 2.156$$

D.f = 3

p &gt; .05

Table 38 Nationality of brand by the necessity of dividing the market for designing the marketing strategy

## Brands grouping A

	Com- ments	Strongly Disagree	Dis- agree	Un- certain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	0	0	20 (16.4)	9 (11.8)	48 (50.5)	28 (26.3)	0	105	+0.8
Foreign (ii)	1	0	5 (8.6)	9 (6.2)	29 (26.5)	12 (13.7)	0	55	+0.873
Total	1	0	25 (40.0)	18 (40.0)	77 (40.0)	40 (40.0)	0	160	+0.825

$$X^2 = 4.907$$

$$D.f = 3$$

$$p > .05$$

$$\text{Overall } X^2 = 51.95$$

$$D.f = 3$$

significant at .01 probability level

## Managers grouping B

	Com- ments	Strongly Disagree	Dis- agree	Un- certain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	0	0	11 (9.8)	6 (7.9)	37 (35.3)	18 (19.0)	0	72	+0.861
Foreign (ii)	1	0	4 (5.2)	6 (4.1)	17 (18.7)	11 (10.0)	0	38	+0.921
Total	1	0	15 (27.5)	12 (27.5)	54 (27.5)	29 (27.5)	0	110	+0.882

$$X^2 = 2.152$$

$$D.f = 3$$

$$p > .05$$

$$X^2 = .627$$

$$D.f = 2$$

$$p > .05 \text{ (without uncertain)}$$

$$\text{Overall } X^2 = 40.036$$

$$D.f = 3$$

significant at .01 probability level

**Table 39** Industry type of brand by the necessity of dividing the market for designing the product/brand marketing plan

## Brands grouping A

	Comments	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
Food	0	0	13	10	28	22	0	105	+0.808
Drink and tobacco	0	0	0	0	17	15	0		+1.469
(i)			13 (14.4)	10 (10.5)	45 (47.3)	37 (32.8)			
Household products	1	0	2	5	5	3	0	55	+0.6
Motor	0	0	4	1	9	4	0		+0.722
Pharmaceutical	0	0	3	0	13	6	0		+1.0
(ii)			9 (7.6)	6 (5.5)	27 (24.7)	13 (17.2)			
Total	1	0	22 (40)	16 (40)	72 (40)	50 (40)	0	160	+8.937

$$X^2 = 2.353$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 50.6$$

$$D.f = 3 \quad \text{significant at .01 probability level}$$

## Managers grouping B

	Comments	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
Food	0	0	7	7	16	11	0	66	+0.756
Drink and tobacco	0	0	0	0	12	13	0		+1.52
(i)			7 (8.4)	7 (7.2)	28 (28.8)	24 (21.6)			
Household products	1	0	2	4	5	3	0	44	+0.643
Motor	0	0	2	1	5	4	0		+0.917
Pharmaceutical	0	0	3	0	10	5	0		+0.944
(ii)			7 (5.6)	5 (4.8)	20 (19.2)	12 (14.4)			
Total	1	0	14 (27.5)	12 (27.5)	48 (27.5)	36 (27.5)	0	110	+0.964

$$X^2 = 1.319$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 33.272$$

$$D.f = 3 \quad \text{significant at .01 probability level}$$

Table 40 Nationality of brand by evaluating the necessity of dividing the market for designing the product/brand marketing plan

## Brands grouping A

	Com - ments	Strongly Disagree	Dis - agree	Un - certain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	0	0	14 (14.4)	11 (10.5)	41 (47.3)	39 (32.8)	0	105	+1.0
Foreign (ii)	1	0	8 (7.6)	5 (5.5)	31 (24.7)	11 (17.2)	0	55	+0.818
Total	1	0	22 (40.0)	16 (40.0)	72 (40.0)	50 (40.0)	0	160	+0.937

$$X^2 = 5.955$$

$$D.f = 3 \quad p > .05$$

$$\text{Overall } X^2 = 50.6$$

$$D.f = 3 \quad \text{significant at .01 probability level}$$

## Managers grouping B

	Com - ment	Strongly Disagree	Dis - agree	Un - certain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	0	0	8 (9.2)	8 (7.8)	30 (31.4)	26 (23.6)	0	72	+1.028
Foreign (ii)	1	0	6 (4.8)	4 (4.2)	18 (16.6)	10 (12.4)	0	38	+0.842
Total	1	0	14 (27.5)	12 (27.5)	48 (27.5)	36 (27.5)	0	110	+0.964

$$X^2 = 1.36$$

$$D.f = 3 \quad p > .05$$

$$X^2 = 1.326$$

$$D.f = 2 \quad p > .05 \quad (\text{excluding uncertain})$$

$$\text{Overall } X^2 = 33.272$$

$$D.f = 3 \quad \text{significant at .01 probability level}$$

Table 41 Industry type of brand by evaluating the respondent's attitude towards market definition

## Brands grouping A

	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
Food (i)	5 28 (27.3)	23 8 (12.3)	8 30 (26.4)	0 30 (26.4)	7	66	-0.046	
Drink and tobacco (ii)	1 8 (12.4)	7 10 (5.6)	8 12 (12.0)	4 0	2	30	+0.233	
Household products Motor Pharmaceutical (iii)	2 0 2 24 (20.3)	6 4 10 9 (9.1)	3 4 2 16 (19.6)	4 6 4 0	0 0 2	1 4 2 49	-0.4 +0.143 -0.3	
Total	10 (29.)	50 (29.0)	27 (29.0)	52 (29.0)	6 (29.0)	16	145	+0.041

$$X^2 = 8.366$$

D.f = 4

p &gt; .05

$$\text{Overall } X^2 = 64.275$$

D.f = 4

significant at .01 probability level

## Managers grouping B

	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
Food (i)	4 16 (16.4)	12 7 (8.2)	15 15 (13.4)	0 15 (13.4)	3	38	-0.132	
Drink and tobacco (ii)	1 7 (9.9)	6 8 (5.0)	6 8 (8.1)	2 0	2	23	+0.087	
Household products Motor Pharmaceutical (iii)	2 0 1 21 (17.7)	6 4 8 7 (8.8)	2 3 2 13 (14.5)	4 4 3 0	0 0 2	1 1 2 41	-0.429 0.0 -0.188	
Total	8 (20.4)	36 (20.4)	22 (20.4)	32 (20.4)	4 (20.4)	9	102	+0.118

$$X^2 = 4.146$$

D.f = 4

p &gt; .05

$$\text{Overall } X^2 = 39.372$$

D.f = 4

significant at .01 probability level

Table 42 National origin of brand by evaluating the respondent's attitudes towards market definition

## Brands grouping A

	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly Agree	9	Total	Weighted Average
British (i)	7 33 (39.3)	26 18 (17.7)		39 44 (38.0)	5	10	95	+0.095
Foreign (ii)	3 27 (20.7)	24 9 (9.3)		13 14 (20.0)	1	6	50	-0.3
Total	10 (29.0)	50 (29.0)	27 (29.0)	52 (29.0)	6 (29.0)	16	145	-0.041

$$X^2 = 5.689$$

$$D.f = 2 \quad p > .05$$

$$\text{Overall } X^2 = 64.275$$

$$D.f = 4 \quad \text{significant at .01 probability level}$$

## Managers grouping B

	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly agree	9	Total	Weighted Average
British (i)	6 25 (28.5)	19 16 (14.2)		22 25 (23.3)	3	6	66	-0.045
Foreign (ii)	2 19 (15.5)	17 6 (7.3)		10 11 (12.7)	1	3	36	-0.25
Total	8 (20.4)	36 (20.4)	22 (20.4)	32 (20.4)	4 (20.4)	9	102	-0.118

$$X^2 = 2.215$$

$$D.f = 2 \quad p > .05$$

$$\text{Overall } X^2 = 39.371$$

$$D.f = 4 \quad \text{significant at .01 probability level}$$

Table 43 Respondent's management level by the importance of market share objectives in the introduction stage of product life cycle

## Brands grouping A

	Com-ments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level (i)	1	1	1	9	19	28	0	57	4.241
			10		(21.0)	(23.9)			
			(12.1)						
Middle management level (ii)	0	4	6	9	17	23	6	55	3.831
			15		(20.3)	(23.0)			
			(11.7)						
High management level	0	1	1	1	11	6	0		4.0
Researcher	6	0	0	3	5	2	0		3.9
			5		16	8		29	
			(6.2)		(10.7)	(12.1)			
			30						
Total	7	6	8	22	52	59	6	141	4.02
			(35.25)	(35.25)	(35.25)	(35.25)			

$$X^2 = 6.972$$

D.f = 4

p &gt; .05

$$\text{Overall } X^2 = 50.0$$

D.f = 3

significant at .01 probability level

## Managers grouping B

	Com-ments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level (i)	1	1	1	6	12	24	0	43	4.295
			7		(14.5)	(18.3)			
			(10.2)						
Middle management level (ii)	0	2	5	7	13	13	2	38	3.8
			12		(12.8)	(16.2)			
			(9.0)						
High management level	0	1	1	1	7	4	0		3.857
Researcher	2	0	0	3	2	2	0		3.857
			5		9	6		20	
			(4.8)		(6.7)	(8.5)			
			24						
Total	3	4	7	17	34	43	2	101	4.0
			(25.25)	(25.25)	(25.25)	(25.25)			

$$X^2 = 6.378$$

D.f = 4

p &gt; .05

$$\text{Overall } X^2 = 31.397$$

D.f = 3

significant at .01 probability level

Table 44 Respondent's management level by the importance of market share objective in the growth stage of product life cycle

Managers grouping A

	Comments	Don't know	Not all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level	1	1	0	3	18	36	0		4.517
Middle management level	0	4	0	8	20	27	6		4.119
Researcher	6	0	0	0	7	3	0		4.3
127(x) (i)		$\frac{5}{127}$	$\frac{5}{127}$	$\frac{16}{127}$	$\frac{61}{127}$	$\frac{127}{127}$		127	
High management level	0	0	0	0	9	11	0		4.55
20(x) (ii)		$\frac{0}{20}$	$\frac{0}{20}$	$\frac{0}{20}$	$\frac{9}{20}$	$\frac{20}{20}$		20	
127(x) - F <sub>20</sub> (x)		0.039	0.039	0.126	0.03	0			
Total F <sub>0</sub> (x)		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
F <sub>147</sub> (x)	7	$\frac{5}{147}$	$\frac{5}{147}$	$\frac{16}{147}$	$\frac{70}{147}$	$\frac{147}{147}$	6	147	4.347
x) - F <sub>147</sub> (x)		0.166	0.363	0.491	0.324	0			

D = 0.126      D<sub>Ho</sub> = 0.327      p > .05  
 Overall D = 0.491      D<sub>Ho</sub> = 0.134      significant at .01 probability level

Managers grouping B

	Comments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level	1	1	0	2	13	28	0		4.523
Middle management level	0	2	0	5	14	19	2		4.2
Researcher	2	0	0	0	4	3	0		4.429
91(x) (i)		$\frac{3}{91}$	$\frac{3}{91}$	$\frac{10}{91}$	$\frac{41}{91}$	$\frac{91}{91}$		91	
High management level	0	0	0	0	7	7	0		4.5
14(x) (ii)		$\frac{0}{14}$	$\frac{0}{14}$	$\frac{0}{14}$	$\frac{7}{14}$	$\frac{14}{14}$		14	
91(x) - F <sub>14</sub> (x)		0.033	0.033	0.11	0.049			0	
Total F <sub>0</sub> (x)		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
F <sub>105</sub> (x)	3	$\frac{3}{105}$	$\frac{3}{105}$	$\frac{10}{105}$	$\frac{48}{105}$	$\frac{105}{105}$	2	105	4.39
x) - F <sub>105</sub> (x)		0.17	0.37	0.50	0.343	0			

D = 0.11      D<sub>Ho</sub> = 0.39      p > .05  
 Overall D = 0.505      D<sub>Ho</sub> = 0.159      significant at .01 probability level

Table 45 Respondent's management level by the importance of market share objective in the maturity stage of product life cycle

## Brands grouping A

	Comments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level	1	1	2	1	28	26	0		4.328
Middle management level	0	4	1	5	26	23	6		4.068
Researcher	6	0	0	0	6	4	0		4.4
$F_{127}(x)$ (i)		$\frac{5}{127}$	$\frac{8}{127}$	$\frac{14}{127}$	$\frac{74}{127}$	$\frac{127}{127}$		127	
High management level	0	0	0	5	10	5	0		4.0
$F_{20}(x)$ (ii)		$\frac{0}{20}$	$\frac{0}{20}$	$\frac{5}{20}$	$\frac{15}{20}$	$\frac{20}{20}$		20	
$F_{127}(x) - F_{20}(x)$		0.039	0.063	-0.14	-0.167	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{147}(x)$		$\frac{5}{147}$	$\frac{8}{147}$	$\frac{19}{147}$	$\frac{89}{147}$	$\frac{147}{147}$	6	147	4.177
$F_0(x) - F_{147}(x)$		0.166	0.346	0.471	0.195	0			

$$D = -0.167$$

$$D_{Ho} = 0.327$$

$$p > .05$$

$$\text{Overall } D = 0.471$$

$$D_{Ho} = 0.134$$

significant at .01 probability level

Table 45 contd/.

## Managers grouping B

	Com - ments	Don't know	Not at all important	Not very important	Im - portant	Very important	9	Total	Weighted Average
Low management level	1	1	1	1	22	19	0		4.295
Middle management level	0	2	1	3	18	16	2		4.125
Researcher	2	0	0	0	3	4	0		4.571
$F_{91}(x)$ (i)		$\frac{3}{91}$	$\frac{5}{91}$	$\frac{9}{91}$	$\frac{52}{91}$	$\frac{91}{91}$		91	
High management level	0	0	0	4	7	3	0		3.929
$F_{14}(x)$ (ii)		$\frac{0}{14}$	$\frac{0}{14}$	$\frac{4}{14}$	$\frac{11}{14}$	$\frac{14}{14}$		14	
$F_{91}(x) - F_{14}(x)$		0.033	0.055	-0.187	-0.215	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{105}(x)$	3	$\frac{3}{105}$	$\frac{5}{105}$	$\frac{13}{105}$	$\frac{63}{105}$	$\frac{105}{105}$	2	105	4.2
$F_0(x) - F_{105}(x)$		0.171	0.352	0.476	0.2	0			

$$D = -0.215$$

$$D_{Ho} = 0.39$$

$$p > .05$$

$$\text{Overall } D = 0.476$$

$$D_{Ho} = 0.159$$

significant at .01 probability level

Table 46 Respondent's management level by the importance of market share objectives in the decline stage of product life cycle

## Brands grouping A

	Comments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level (i)	1	4	6	27	12	9	0	54	3.276
			33		(13.3)	(11.0)			
			(29.7)						
Middle management level (ii)	0	4	6	18	16	15	6	55	3.542
			24		(13.6)	(11.1)			
			(30.3)						
High management level	0	1	3	9	6	1	0		3.15
Researcher	6	0	1	6	0	3	0		3.5
			19		6	4		29	
			(16.0)		(7.1)	(5.9)			
			76						
Total	7	9	16	60	34	28	6	138	3.381
			(34.5)	(34.5)	(34.5)	(34.5)			

$$X^2 = 5.307$$

D.f = 4

p &gt; .05

$$\text{Overall } X^2 = 30.0$$

D.f = 3

significant at .01 probability level

## Managers grouping B

	Comments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
Low management level (i)	1	3	4	20	9	8	0	41	3.341
			24		17				
			(21.1)		(19.9)				
Middle management level (ii)	0	2	4	12	12	10	2	38	3.6
			16		22				
			(19.6)		(18.4)				
High management level	0	1	2	5	5	1	0		3.214
Researcher	2	0	1	3	0	3	0		3.714
			11		9			20	
			(10.3)		(9.7)				
			51		48				
Total	3	6	11	40	26	22	2	99	3.448
			(24.75)	(25.75)	(24.75)	(24.75)			

$$X^2 = 2.286$$

D.f = 2

p &gt; .05

$$\text{Overall } X^2 = 17.404$$

D.f = 3

significant at .01 probability level

Table 47 Nationality of brand by the importance of market share in the introduction stage of product life cycle

## Brands grouping A

	Com- ments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
British (i)	2 7 (8.6)	5	7	14 21 (19.7)	30 (34.2)	44 (39.5)	3	102	4.01
Foreign (ii)	5 6 (4.4)	1	1	8 9 (10.3)	22 (17.8)	16 (20.5)	3	53	4.063
Total	13		8 (35.5)	22 (35.5)	52 (35.5)	60 (35.5)	6	155	4.027

$$\chi^2 = 4.138$$

D.f = 3

p &gt; .05

$$\chi^2 = 3.267$$

D.f = 2

p &gt; .05 (excluding the comments and don't know)

$$\text{Overall } \chi^2 = 51.015$$

D.f = 3

significant at .01 probability level

## Managers grouping B

	Com- ments	Don't know	Not at all important	Not very important	Important	Very important	9	Total	Weighted Average
British (i)	2 5 (4.6)	3	6	9 15 (15.6)	19 (22.1)	32 (28.7)	1	71	3.449
Foreign (ii)	1 2 (2.4)	1	1	8 9 (8.4)	15 (11.9)	12 (15.3)	1	38	3.973
Total	7		7 (26.5)	17 (26.5)	34 (26.5)	44 (26.5)	2	109	4.009

$$\chi^2 = 2.502$$

D.f = 3

p &gt; .05

$$\chi^2 = 2.424$$

D.f = 2

p &gt; .05 (excluding comments and don't know)

$$\text{Overall } \chi^2 = 31.435$$

D.f = 3

significant at .01 probability level

**Table 48** Nationality of brand by the importance of market share in the growth stage of product life cycle

## Brands grouping A

	Com-ments	Don't know	Not at all important	Not very important	Im- portant	Very important	9	Total	Weighted Average
British	2	5	0	9	32	54	3	100	4.3
$F_{100}(x)$ (i)		$\frac{5}{100}$	$\frac{5}{100}$	$\frac{14}{100}$	$\frac{46}{100}$	$\frac{100}{100}$			
Foreign	5	0	0	2	22	24	3	48	4.458
$F_{48}(x)$ (ii)		$\frac{0}{48}$	$\frac{0}{48}$	$\frac{2}{48}$	$\frac{24}{48}$	$\frac{48}{48}$			
$F_{100}(x) - F_{48}(x)$		0.05	0.05	0.10	-0.04	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{148}(x)$	7	$\frac{5}{148}$	$\frac{5}{148}$	$\frac{16}{148}$	$\frac{70}{148}$	$\frac{148}{148}$	6	148	4.351
$F_0(x) - F_{148}(x)$		0.17	0.37	0.49	0.33	0			

D = 0.1

 $D_{Ho} = 0.239$ 

p &gt; .05

Overall D = 0.49

 $D_{Ho} = 0.134$ 

significant at .01 probability level

## Managers grouping B

	Com-ments	Don't know	Not at all important	Not very important	Im- portant	Very important	9	Total	Weighted Average
British	2	3	0	5	21	40	1	69	4.377
$F_{69}(x)$ (i)		$\frac{3}{69}$	$\frac{3}{69}$	$\frac{8}{69}$	$\frac{29}{69}$	$\frac{69}{69}$			
Foreign	1	0	0	2	17	18	1	37	4.432
$F_{37}(x)$ (ii)		$\frac{0}{37}$	$\frac{0}{37}$	$\frac{2}{37}$	$\frac{19}{37}$	$\frac{37}{37}$			
$F_{69}(x) - F_{37}(x)$		0.04	0.04	0.06	-0.09	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{106}(x)$	3	$\frac{3}{106}$	$\frac{3}{106}$	$\frac{10}{106}$	$\frac{48}{106}$	$\frac{106}{106}$	2	106	4.396
$F_0(x) - F_{106}(x)$		0.17	0.37	0.51	0.35	0			

D = -0.09

 $D_{Ho} = 0.277$ 

p &gt; .05

D = 0.51

 $D_{Ho} = 0.158$ 

significant at .01 probability level

Table 49    Nationality of brand by the importance of market share in the maturity stage of product life cycle

## Brands grouping A

	Com-ments	Don't know	Not at all important	Not very important	Im- portant	Very important	9	Total	Weighted Average
British (i)	2	5	2	9	44	40	3	95	4.12
				11 (10.0)	(46.5)	(38.5)			
Foreign (ii)	5	0	1	3	26	18	3	48	4.271
				4 (5.0)	(23.5)	(19.5)			
Total	7	5	3	15	70	58	6	143	4.169
				12					

$$X^2 = 0.873$$

D.f = 2

p &gt; .05

$$\text{Overall } X^2 = 92.441$$

D.f = 3

significant at .01 probability level

## Managers grouping B

	Com-ments	Don't Know	Not at all important	Not very important	Im- portant	Very important	9	Total	Weighted Average
British $F_{69}(x)$ (i)	2	3	1	7	30	28	1	69	4.145
		$\frac{3}{69}$	$\frac{4}{69}$	$\frac{11}{69}$	$\frac{41}{69}$	$\frac{69}{69}$			
Foreign $F_{37}(x)$ (ii)	1	0	1	2	20	14	1	37	4.27
		$\frac{0}{37}$	$\frac{1}{37}$	$\frac{3}{37}$	$\frac{23}{37}$	$\frac{37}{37}$			
$F_{69}(x) - F_{37}(x)$		0.04	0.031	0.078	-0.029	0			
Total $F_0(x)$		$\frac{1}{5}$	$\frac{2}{5}$	$\frac{3}{5}$	$\frac{4}{5}$	$\frac{5}{5}$			
$F_{106}(x)$	3	$\frac{3}{106}$	$\frac{5}{106}$	$\frac{14}{106}$	$\frac{64}{106}$	$\frac{106}{106}$	2	106	4.189
$F_0(x) - F_{106}(x)$		0.17	0.353	0.468	0.196	0			

$$D = 0.078$$

$$D_{Ho} = 0.277$$

p &gt; .05

$$\text{Overall } D = 0.468$$

$$D_{Ho} = 0.158$$

significant at .01 probability level

**Table 50** Nationality of brand by the importance of market share in the decline stage of product life cycle

## Brands grouping A

	Com - ments	Don't know	Not at all important	Not very important	Im - portant	Very im - portant	9	Total	Weighted Average
British (i)	2 11 (10.5)	9	12 (11.2)	37 (39.5)	25 (22.4)	17 (18.4)	3	102	3.29
Foreign (ii)	5 5 (5.5)	0	5 (5.8)	23 (20.5)	9 (11.6)	11 (9.6)	3	53	3.542
Total	16 (31.0)		17 (31.0)	60 (31.0)	34 (31.0)	28 (31.0)	6	155	3.372

$$X^2 = 1.896$$

$$D.f = 4$$

$$p > .05$$

$$\text{Overall } X^2 = 41.29$$

$$D.f = 4$$

significant at .01 probability level

## Managers grouping B

	Com - ments	Don't know	Not at all important	Not very important	Im - portant	Very im - portant	9	Total	Weighted Average
British (i)	2	6	8 32 (32.8)	24	18 (16.4)	13 (13.8)	1	63	3.348
Foreign (ii)	1	0	4 20 (19.2)	16	8 (9.6)	9 (8.2)	1	37	3.595
Total	3	6	12 52 (25.0)	40 (25.0)	26 (25.0)	22 (25.0)	2	100	3.434

$$X^2 = 0.6$$

$$D.f = 2$$

$$p > .05$$

$$\text{Overall } X^2 = 16.16$$

$$D.f = 3$$

significant at .01 probability level

**Table 51** The relationship between managerial level profile and the importance of market share objectives in the maturity stage of PLC

**Brands grouping A**

x1 or x2	f1	f2	f1x1	f2x2	x1-xbar1	(x1-xbar1) <sup>2</sup>	f1(x1-xbar1) <sup>2</sup>	x2-xbar2	(x2-xbar2) <sup>2</sup>	f2(x2-xbar2) <sup>2</sup>
5.0000	53.0000	5.0000	265.0000	25.0000	0.7874	0.6200	32.8601	1.2500	1.5625	7.8125
4.0000	50.0000	10.0000	240.0000	40.0000	-0.2125	0.0452	2.7119	0.2500	0.0625	0.6250
3.0000	5.0000	0.0000	15.0000	0.0000	-1.2126	1.4704	7.3520	-0.7500	0.5625	0.0000
3.0000	6.0000	5.0000	12.0000	10.0000	-2.2126	4.8956	29.3733	-1.7500	3.0625	15.3125
1.0000	3.0000	0.0000	3.0000	0.0000	-3.2126	10.3208	30.9624	-2.7500	7.5625	0.0000
15.0000	127.0000	20.0000	535.0000	75.0000			103.2598			23.7500

xbar1 = 4.2126      xbar2 = 3.7500  
 standard error = 0.2252  
 t = 0.3046

**Managers grouping B**

x1 or x2	f1	f2	f1x1	f2x2	x1-xbar1	(x1-xbar1) <sup>2</sup>	f1(x1-xbar1) <sup>2</sup>	x2-xbar2	(x2-xbar2) <sup>2</sup>	f2(x2-xbar2) <sup>2</sup>
5.0000	39.0000	3.0000	195.0000	15.0000	0.7582	0.5749	22.4223	1.3571	1.8418	5.5255
3.0000	3.0000	7.0000	17.0000	20.0000	-0.2418	0.0584	2.5133	0.3571	0.1275	0.6929
3.0000	3.0000	0.0000	9.0000	0.0000	-1.2418	1.5420	4.6253	-0.6429	0.4133	0.0000
2.0000	3.0000	0.0000	6.0000	8.0000	-2.2418	5.0255	20.1019	-1.6429	2.6929	10.7959
1.0000	2.0000	0.0000	2.0000	0.0000	-3.2418	10.5090	21.0180	-2.6429	6.9847	0.0000
15.0000	91.0000	14.0000	386.0000	51.0000			70.6813			17.2143

xbar1 = 4.2413      xbar2 = 3.6429  
 standard error = 0.2652  
 t = 2.2593

## Appendix III Research interview outline

### Marketing objectives

- a) Market share objective was considered one of the main long-range marketing objectives, but, there was general agreement among the respondents that it becomes more important than others (especially the rate of return on investment) as one is moving from the overall marketing plan to the product level.
- b) Respondents did not agree that market share objective is the major contribution of marketing division towards the firm's financial performance.
- c) The majority of respondents noted the positive influence of the product life cycle on the way marketing objectives were set. Market share objective is rated more important at the first three stages of the life cycle, and especially the growth and mature stages, rather than in the decline stage.

### Market segmentation

- a) The division of the market into segments seemed to be widely accepted as a basis for organizing and directing the activities of marketing people.
- b) Market segmentation was more important in designing the product marketing plan than the overall marketing strategy.

### Manager's responsibility

- a) Senior marketing managers were responsible for deciding the overall marketing strategy, while product managers were mainly responsible for developing and implementing the product marketing plan.

### Market definition

- a) The total industry sales figure rather than part of it was used by all managerial levels to measure the performance of a given product.
- b) Various market sales figures were used to measure the market share level of a product, but, some respondents justified the selection of "sales volume" or unit sales related to the product type to overcome the effects of inflation and other factors.