CHAPTER VI

CONCLUSIONS AND SUGGESTIONS

This chapter begins with the concluding remarks of the study. The summarized findings of the study are presented in the form of conclusion in this chapter. Some of the valuable suggestions are provided against the scope of improvement which is found out in the study. The chapter concludes with highlighting some limitations and future direction of research of the study.

6.1 Conclusion

In the new emerging scenario, brands are becoming the most valuable assets that a business can possess. Brands are wealth generators of the twenty-first century. When products are not differentiated in the factories, they are differentiated in the consumers’ minds. Brands are capable of transforming mundane products into objects of desire. Accordingly, the market value of a business is determined by the number and types of brands it holds. Brands create identifiable streams of earnings for a firm. Firms like Amway, Colgate Palmolive, Unilever and P&G are not highly valued because of tangible assets they hold. Rather their value is dictated by the
power of their brands. Brand power is nothing if none of the customer following it enjoys.

The cross cases analysis reveals that different MNCs adopt different branding strategies on the basis of their vision and mission. The four MNCs which are under study adopt different brand strategies which are successful in their own way. It has been observed that companies start with one product but over time- as they accumulate manufacturing and marketing capabilities- they tend to become multi-product. As the number of products handled by a company increases, it raises certain questions; what kind of branding relations would they have among themselves?

Companies differ in their approaches to branding. Western companies seem to favour product branding while the companies in the east practice mega-brand approach. A company can choose from a variety of branding strategies. For instance, Amway follows a very flexible brand strategy. It follows the strategy of line branding. For example, the brand, ‘Body Series’ was introduced with a distinct concept. The brand appeals to a distinct market segment who appreciate and like the brand concept. The core idea is that brand connects with a consumer group. Today, customers do not tend to contended with one product which the brand offers. Rather they want additional products which go hand-in-hand with the brand concept or application. So the Body Series users want the brand to offer all complimentary products which enhance beauty- Body gel, lotion, bar soap, Complexion bar etc. The Amway has adopted a series of brand extension using several established brands. For instance, Artistry essential is extended to Artistry essential lotion, Artistry essential
make up kit etc. Another example could be the extension of brand “Persona” to Persona family classic toothbrush, Persona Family advanced toothbrush etc. Colgate-Palmolive adopts the strategy of Umbrella Branding for its variety of products. The company enjoys the distinction of pursuing umbrella branding. The company uses its name on various products like body lotion, tooth paste, mouth wash, shampoo, liquid hand wash and soap. Some of the products of Colgate-Palmolive which uses its brand name are Colgate Dental cream, Colgate 360, Colgate Active Salt, Palmolive Aroma Shower Gel, Palmolive Thermal Spa, Palmolive Natural Liquid Hand Wash, Palmolive Soap, Palmolive Kids care shampoo-in-one etc. Umbrella branding scores well on the dimensions of economics for the company. The brand extension of Colgate Palmolive is adopted in product line as well as product category. In case of product category extension, some examples that can be included are Protex cream, Protex Cold Powder and Protex Liquid Hand Soap etc.

Unilever has also been an adherent of product branding. It uses individual names to promote a product with an intention to provide it a distinct position. For instance, in the toilet soap category, Unilever has brands like Lux, Lifebuoy, Rexona, Pears and Liril. In terms of positioning, Lux has been a toilet soap of film stars. Lifebuoy has always taken the position of a soap that fights germs hidden in the dirt and promotes health. It remains the only soap exclusively directed at the male user. Rexona occupies the platform of a gentle soap with natural oils to have a good effect on skin. Unilever also follows the strategy of line branding. For instance, the brand,’ DENIM’ was introduced with a distinct concept. The brand appeals to a distinct
market segment who appreciate and like the brand concept. The core idea is that brand connects with a consumer group. Today, customers do not tend to contended with one product which the brand offers. Rather they want additional products which go hand-in-hand with the brand concept or application. So the Denim users want the brand to offer all complimentary products which enhance beauty- Deodrant, Shaving Cream, After Shave, Soap and Body Talc. So Unilever came up with Denim Deo, Denim Shaving Cream, Denim After Shave, Denim Soap and Denim talc. In this way, the products combine to form a complete whole and draw their identity from the main brand. As a result, it improves the brand’s marketing power rather than selling them as individual brands. The various popular brands of the company have been extended successfully in related product categories. For instance HUL, an Indian subsidiary of Unilever has so far extended the 112-year-old Lux brand into a range of body and hair wash products. It could consider extending the brand into deodorant space in other markets depending on the response it gets on the Indian turf. The Rs 1,300-crore deodorant market in India is growing rapidly. Hindustan Unilever has a strong presence in the male fragrance deodorant space with its Axe being the largest deodorant brand in India. P&G adopts the product branding strategy. Product branding is one extreme of the branding continuum. It is fiercely driven by consumer logic. In terms of customer perception and information processing, the most effective way to designate a product is to give it an exclusive name, which would not be available to any other product. This way, the brand is able to acquire a distinct position in the customer’s mind. What the brand represents is
clearly understood and internalized by the market. The purpose of branding is to differentiate their cow from other cattle on the ranch. The reality is that cattle on the ranch do look almost like clones. A successful branding programme is based on the basis of singularity. Through the product branding strategy, the brands of P&G are promoted exclusively so that they acquire their own identities and images. The thrust is on making each brand acquire its own set of associations and a stand of its own. Product branding allows the brands of P&G to acquire differentiation and exclusivity. P&G Limited also adopts extensive brand extension with its billion dollar brands. Initially the brand Gillette was introduced as men’s shaving product. But later on the company extended and introduced Gillette Fusion ProSeries, an advanced lineup of male skin care products for men. The products contain Gillette Skin care Moisturizer and Gillette Face Wash and Scrub. Gillette was the first choice for P&G because of its high brand equity among men in shaving segment which is characterized by innovation in shaving technology. Secondly P&G could save time and money builds new brands. Gillette’s deep understanding of men and shaving combined with P&G’s expertise in skin science has resulted in Gillette Fusion ProSeries, an advanced line of skin care products that drive incredible comfort before, during, and after the shave. This new skin care line features the first mass market men’s thermal facial scrub, as well as a skin care lotion and moisturizer to deliver comfort throughout the shaving process. In this way, some MNCs adopt multiple strategies for branding for various categories of products but some companies adopt a single strategy for the variety of products as a branding strategy.
Majority of the people can readily identify and differentiate FMCG brands without advertisement. Among the various factors that influence the purchase of FMCG brands, “Quality” and Brand Image are the two most influential factors. The brands awareness level of various FMCG brands of MNCs are extremely high for some brands but in the same case, it is extremely low for few FMCG brands of the same MNCs. Among the four MNCs, the brand awareness levels of FMCG brands of Unilever and Procter & Gamble are extremely high in both countries. But the brand awareness levels of FMCG brands of Amway is the lowest followed by Colgate Palmolive. The frequency of changes of FMCG brands among the customers is very less which indicates that most of the customers are brand loyal. The brand loyalty is high in both countries but relatively higher for Indian customers than Thailand customers. Majority of people in India and Thailand are willing to spend premium price for products of FMCG brands. Majority of people in India associates FMCG products with attributes while it is advertisements in case of Thailand. The main source of information for FMCG brands is the TV Ads in both India and Thailand. Last but not the least, the preference places of buying FMCG products in both countries are mainly local shops and company stores.

6.2 Suggestions:

The researcher has provided the following suggestions against the findings of the study:
1. Majority of the respondents can easily identify and differentiate FMCG brands without advertisement also. Therefore, MNCs can minimize their advertisement cost for established brands and spend more on R&D part. But they can continue the momentum of advertisement for new or un-established brands.

2. The “Quality” factors emerged as the most influential factor in the purchase of FMCG brands even in the price sensitive market like India. This indicates the increase brand consciousness of people in both countries. Hence, the MNCs should not compromise quality of products and compete only in one factor even in a price sensitive market like India.

3. The brand awareness level of Amway is very less among the respondents in both the countries i.e. India and Thailand. Since, the brand awareness is a major factor in creating brand equity as well as brand loyalty, Amway needs to emphasize on various marketing activities specially the promotional activities in order to create more awareness about the brands among all the prospective customers.

4. Moreover the purchase experience of FMCG brands of Amway is very bad in case of India but better in case of Thailand. India being a huge market for FMCG brands, Amway should try to create a good purchase experience with its customers and concentrate on each touch points of customer while purchasing
various FMCG products. Amway should focus on relationship marketing aspect in order to create and retain brand loyalty as well as customer loyalty. Since the products are not readily available in retail outlets or local shops, the customers find it difficult to purchase the product whenever they need.

5. The satisfaction level on the advertising and promotional activities of Amway is very less both in India and Thailand. The brands are not promoted individually as a result of which the brands could not be identified uniquely and differently. In this regard, celebrity endorsement with some known faces could be of great beneficial for the company.

6. The satisfaction level of need provided by brands of Amway in India is not up to the mark as per data collected. As per the responses provided by the respondents, majority of them feel that they don’t get the expected values against the price paid for brands. They suggested that the company should work on either price factor or the value provided against the price.

7. The preference places of buying FMCG products in both countries are mainly local shops and company stores. The brands of Colgate-Palmolive, Unilever and P&G are available in local shops as well as company stores. But the brands of Amway are not available in those places. So, the customers expressed their views of
changing or at least amends the company’s business model so that they could easily find their favourite brands in convenient local shops and retail outlets nearby.

8. In case of India, majority of respondents associate FMCG brands with attributes of the product. The FMCG sector is one of the largest sectors in Indian as well as Thai economy contributing a good percentage to the GDP of the countries. Moreover the competition is so stiff with world’s big giants entering into both markets. So, the MNCs should focus on innovations and research in order to come out with distinctive concepts and idea in order to sustain the competitive advantages over its competitors.

9. Peer groups and family members are two major sources of FMCG brand information next to advertisement. This indicates that a good worth of mouth from the satisfied customers could be a promising sources of brand information for the potential customers. So, the companies should initiate every possible strategy to satisfy and make the existing customers delighted with its brand offering and every possible service required in making the brand available to the final customers.

6.3 Limitations of the study

While undertaking the research work, the researcher had identified certain limitations also which are detailed below:
1. The survey relating to brand awareness, customer satisfaction of the brands, brand loyalty and factors affecting the consumer behaviour of the brands were conducted from the selected cities in India and Thailand. Therefore the findings have certain limitations in generalization.

2. The study was also restricted to four MNCs which are operating in India and Thailand. Hence the results of the study may not applicable to the entire industry or sector.

3. Information collected for the case studies and cross case analysis is mainly from the secondary sources. Hence the analysis and interpretation of the data from case studies may have limited inferences.

6.4 Future Research Scope

In this study, the researcher has restricted only to the body care segments of the FMCG sector. The other segments of FMCG sectors can be further studied. In today’s globalised world, a large number of companies have operations in a multiple countries; it is worthwhile to explore the brand management of such companies which are same globally or there are distinctions by geography. Further research may be conducted to shed light on the organizational decision making processes associated with choosing a particular branding strategy. The focus of the study is only brands of MNCs. Comparison between local brands and International brands as well as Asian versus Western international brands especially about the role of country of origin are the directions for future research.