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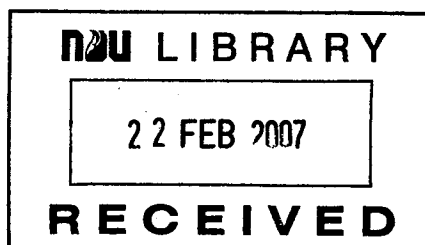
ELABORATING A MARKETING STRATEGY
FOR ZEENNI'S TRADING AGENCY

by
SABINE KARAM FRANGIEH

A THESIS

Submitted in partial fulfillment of the requirements
for the degree of Master of Business Administration
to the Department of Management and Marketing
Faculty of Business Administration and Economics

ZOUK MOSBEH, LEBANON
JUNE 2006



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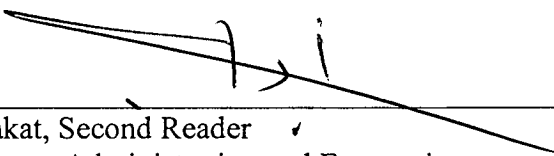
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To my husband and my parents...

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I also want to thank my husband Nehman; without his love, encouragement and support, this project would not have been completed.

I am utterly indebted to my parents for the many sacrifices they have made on my behalf throughout the years; to my mother for her affection and confidence in me and to my father for his continuous backing and for nourishing my ambition to pursue higher studies.

I also owe gratitude for the management of Zetra for providing me with information I need with patience. My special thanks go to Mr. Salim Zeenni for his support, and for Mr. George Sarkis for his guidance and valuable insights.

ABSTRACT

Philip Kotler says: "Today you have to run faster to stay at the same place." Therefore; nothing is for granted in today's economy: no marketing positions could be maintained without exercising huge efforts...
What if the company is seeking to ameliorate its position and image?
In order to succeed in this ever changing and complex business environment, the least a company can do is to work according to a certain strategy.

The purpose of this project is to elaborate a marketing strategy for Zeenni's Trading Agency ZETRA.

The study will entail the characteristics of the Lebanese industry in general and those of the chemical industry in particular. It is also involved with the competitive situation of the Lebanese market.

A detailed analysis of Zetra accompanied by a quantitative research on the Lebanese market help to determine the appropriate marketing strategy for Zetra on four levels: product, price, place and promotions.

Because we still believe in our Lebanese industry and because we fear we might become this nation that does not weave what it wears nor plant what it eats nor press the wine that it drinks; we count on Zetra, this Lebanese manufacturing company to show more interest in the Lebanese market.

Our hopes for this already successful company to become even more prosperous and to enhance the brand image of products "made in Lebanon".

Finally; it is crucial to signal that information concerning sales figures and market share were considered confidential by the management of Zetra. This, in addition to the absence of governmental statistics in this field, constitutes a major limitation of the project.

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CHAPTER I

INTRODUCTION

A. The Emergence of Global Competition

Since the beginning of recorded time the greatest challenge facing humanity has been the management of scarcity. Through organizational, social and technological innovations history is an almost continuous record of progress to the achievement of this ultimate goal.

However; with every improvement in people's control over their environment the chances of survival were improved thus stimulating an increased demand from an enlarged population. It was not until this century that supply was able to meet demand.

Around the middle 1950s the US economy began to exhibit signs that supply was beginning to run ahead demand. Marketing tools were used to boost flagging sales. The increased output of countries like West Germany, Japan, Hong Kong, etc. was consumed domestically. But, as growth slowed, these countries began to look to international markets in order to sustain economic growth. Thus, the 1960s and early 1970s witnessed the steady growth of international trade. ¹

What has changed significantly in the past 30 to 40 years has been the emergence of global competition.

“Today's companies are facing their toughest competition ever.”²

“The market place isn't what it used to be.” It is changing radically as a result of major societal forces such as technological advances, globalization, and deregulation. ³

Customers are becoming harder to please. They are smarter, more price conscious, more demanding, and they are approached by many competitors with equal or better offers. They are showing less brand loyalty and greater price sensitivity in their search for value.

There are four major factors that shape the modern environment of enterprises: the expanding globalization of the economy; the technical and technological improvements; the deregulation of the economy connected with many enterprises losing the monopolistic position they had previously enjoyed; the progressing privatization of state-owned enterprises (SOE).

Furthermore, the past decade has witnessed a growth in the role of quality, environmental and consumer protection standards. ⁴

B. The Effects of Global Competition on Lebanon

The Lebanese manufacturers are being by-passed by the quality of products and services of the new comers. Powerful retailers are commanding limited shelf space and putting their own store brands in competition with national brands.

Also, due to the increasing power of those giant retailers and the decreasing purchasing power of the Lebanese consumers, convenient stores are facing intense competition causing them to shrink their profit margins.

Regarding the Lebanese consumer, as most contemporary consumer, he is conscious to his new power knowing that companies are working toward meeting his needs profitably.

In addition to his awareness; his limited income makes him more sensitive to price and less loyal to brand. In fact; Lebanon has suffered from a severe civil war

that lasted more than 15 years causing the decrease of standard of living of the Lebanese citizen. Table 1 illustrates this declining.

Table 1. Distribution of the households' income in Lebanon in 1997

Lebanese households' Income in Thousands LBP/Month	Population Percentage
Less than 300	5.8
300-500	13.0
500-800	21.0
800-1,200	21.1
1,200-1,600	13.4
1,600-2,400	12.1
2,400-3,200	5.9
3,200-5,000	4.3
5,000 or more	3.1
Undetermined	0.3
Total	100

Source: Etudes Statistiques. 1998. *Conditions de Vie des Ménages en 1997*. Républiques Libanaise : Administration Centrale de la Statistique.No. 9. (February)

C. Importance of Strategic Thinking and Marketing Strategies

Every organization should have a purpose and reason for being. Peter Drucker points out: "Where goals and objectives are absent, there is an absence of progress and success".⁵

Kotler says: "It is more important to do what is strategically right than what is immediately profitable".⁶

Strategy formulation is often referred to as strategic planning or long-range planning and is concerned with developing a corporation's mission, objectives, strategies, policies.⁷

Before resources are invested and tactical decisions are made, a foundation of strategic marketing goals must first be established.

"Marketplace strategy embodies where, how, and why an organization seeks to attract, win and retain customers."⁸

Firms should avoid the trap of thinking that if they work hard enough; they will succeed in their attack. Ries and Trout argue that it is strategy and not hard work that determine success. In warfare, when a battle turns to hand-to-hand combat, the advantage resulting from the strategic plan no longer exists. In marketing, a firm achieves victory through a smarter strategy, not by spending longer hours with meetings, reports, memos, and management reviews. When management declares that it is time to "redouble our efforts", then the marketing battle has turned to hand-to-hand combat and is likely to end in defeat.⁹

D. Marketing Concept and Marketing Myopia

The marketing concept emerged in the mid-1950s and challenged the preceding concepts.

The Industrial Age was characterized by mass-production and mass-consumption. The Information Age promises to lead to more accurate levels of production, more targeted communications, and more relevant pricing.

Instead of a product and sales philosophy, we shift to a marketing philosophy.

The product concept can lead to "scotoma" or "marketing myopia".

Scotoma is essentially a blind spot, and -as a business owner- having a blind spot can be fatal to a business. The majority of small businesses are found on the technical expertise of the owner. When the owner focuses too intently on working in his business (as the technical expert) instead of on his business the blind spot develops

narrowing the owner's overall vision until he is blind to growth opportunities and marketing myopia sets in.¹⁰

Over 95 percent of small business owners focus their marketing on the reasons people should buy their products and services, not on their clients.¹¹

This is why companies should focus on the customer and be organized to respond effectively to changing customer needs. They should have well-staffed marketing departments and all their other departments should also accept the concept that the customer is King. In other words, companies need to embrace the marketing concept.

They should start with a well-defined market, focus on customer needs, coordinate all the activities that will affect customers, and produce profits by satisfying customers.

In Lebanon, very few companies abide by the marketing concept. Some concentrate on achieving high production efficiency, low costs, and mass distribution, assuming that consumers are still interested in product availability and low prices. Other recourse to aggressive selling and promotion effort, trying to sell what they make rather than what the market wants. If those companies managed before to make profits, today they are hardly able to break-even or even survive. They have to adopt new concepts and tools to deal with the new marketplace.

E. The purpose and Methodology of the study

This study concerns a part of the chemical industry in Lebanon; the part related to the cleaning preparations segment (detergents, cleaning and polishing compounds).

At first glance, it is obvious that Zetra is lacking in terms of marketing efforts. There is an emphasis on management rather than on marketing. Therefore; the study will certainly have beneficial contributions for the company by filling the gap. This study will include a detailed marketing strategy for a Lebanese company: Zetra. The strategy proposed enables the company to consider the marketing side and engage more efforts in this field.

This study should be of interest to anyone involved directly in detergents and cleaning preparations industry or interested in markets. Specifically, Zetra will find vital data and analysis on how the market is transitioning for a more competitive marketplace.

The study intends to correlate data that has been calculated from many sources such as government statistical information, researchers, economic analysts, and the managers of Zetra.

This report is based on examining and calculating information from a variety of sources to obtain consistent data. The combination of both primary and secondary data enhances getting a better picture of the situation.

Information from the field is collected from the distribution of questionnaires and will be treated by SPSS program. Both, primary data and a detailed analysis of the external and internal environment of Zetra will help us to craft a marketing strategy for the company.

Primary data is mainly collected through the use of survey methods; mainly: personal interviews and distribution of questionnaires (quantitative techniques).

On the other hand, secondary data used was collected from different sources to ensure good quality. Internal secondary data from within Zetra completed external secondary data originated from different sources such as: journals and other publications, and Internet.

CHAPTER II

THE LEBANESE CHEMICAL INDUSTRY

A. Introduction

Chemical industry is the business of using chemical reactions to turn raw materials, such as coal, oil, and salt into a variety of products.

During the 19th and 20th century technological advances in the chemical industry dramatically altered the world's economy. Chemical processes have created pesticides and fertilizers for farmers, pharmaceuticals for the health care industry, synthetic dyes and fibers for the textile industry, soaps and beauty aids for the cosmetics industry, synthetic sweeteners and flavors for the food industry, plastics for the packaging industry, chemicals and celluloid for the motion picture industry, and artificial rubber for the auto industry.

Chemicals are an essential component of manufacturing, vital to industries such as construction, motor vehicles, paper, electronics, transportation, agriculture, and pharmaceuticals. Although some chemical manufacturers produce and sell consumer products such as soap, bleach, and cosmetics, most chemical products are used as intermediate products for other goods.

Chemical manufacturing is divided into seven segments: Basic chemicals; synthetic materials; agricultural chemicals, including pesticides, fertilizer, and other agricultural chemicals; paint, coating, and adhesives; cleaning preparations, including soap, cleaning compounds, and toilet preparations; pharmaceutical and medicine manufacturing; and other chemical products.

The cleaning preparations segment is the only one in which much of the production is geared directly toward consumers. This segment includes firms making soaps, detergents, and cleaning preparations. Cosmetics and toiletries, including perfume, lotion, and toothpaste, also are produced in this segment. Households and businesses use these products in many ways, cleaning everything from babies to bridges.¹²

B. History of the Chemical Industry

Chemical industries can be traced back to Middle Eastern artisans, who refined alkali and limestone for the production of glass as early as 7,000 BC, to the Phoenicians who produced soap in the 6th century BC, and to the Chinese who developed black powder, a primitive explosive.

In the Middle Ages, alchemists produced small amounts of chemicals and by 1635 the Pilgrims in Massachusetts were producing saltpeter for gunpowder and chemicals for tanning.

But, large-scale chemical industries first developed in 19th century. In 1823, British entrepreneur James Muspratt started mass producing soda ash (needed for soap and glass) using a process developed by Nicolas Leblanc in 1790.

Advances in organic chemistry in the last half of the 19th century allowed companies to produce synthetic dyes from coal tar for the textile industry as early as the 1850s.

In the 1890s, German companies began mass producing sulfuric acid and, at about the same time, chemical companies began using the electrolytic method, which required large amounts of electricity and salt, to create caustic soda and chlorine. Man-made fibers changed the textile industry when rayon (made from wood fibers) was introduced in 1914. The introduction of synthetic fertilizers by the American

Cyanamid Company in 1909 led to a green revolution in agriculture that dramatically improved crop yields. Advances in the manufacture of plastics led to the invention of celluloid in 1869 and the creation of such products as nylon by Du Pont in 1928. Research in organic chemistry in the 1910s allowed companies in the 1920s and 30s to begin producing chemicals for oil. Today, petrochemicals made from oil are the industry's largest sector. Synthetic rubber came into existence during World War II, when the war cut off supplies of rubber from Asia.

Since the 1950s growing concern about toxic waste produced by chemical industries has led to increased government regulation and the establishment of the Environmental Protection Agency (1972). The leakage of toxic chemicals at the Union Carbide plant in Bhopal , India (1984) was the worst industrial disaster in history and heightened public concern about lax environmental regulations for chemical companies in developing countries. Beginning in the 1980s, U.S. corporations faced expanding competition from foreign producers, including some Third World oil producers who have set up their own oil refining and petrochemical industries. In 1997 the U.S. chemical industry produced about \$389 billion worth of products and employed 1,032,000 workers. It exported about \$71 billion worth of chemicals.¹³

C. The State of the Lebanese Industry

Lebanese industry expanded rapidly in the late 1960s and early 1970s. By 1974 industry accounted for an estimated 20 percent of GDP, up from 13 percent in 1968, and industrial exports amounted to 75 percent of total exports. This growth was characterized by a proliferation of small industries and was fueled by easy credit, a strong local currency, abundant and cheap supplies of skilled and unskilled labor,

subsidized electric power, and trade protection at home and expanding markets abroad, particularly in the Persian Gulf countries. ¹⁴

By 1974 an estimated 130,000 people were employed in industry, and the total nominal capital of industrial establishments stood at around US\$1.1 billion. The textile industry alone employed some 50,000 people. A further 20,000 were employed in the furniture and wood products industry and some 15,000 in the leather products industry. ¹⁵

Years of strife changed all this. In 1981 the Lebanese Industrialists Association reported a 25-percent decline in industrial capacity, and more than 70 percent of all industrial capacity was believed to have been idle for at least 500 days during the previous 6 years. Layoffs were heavy; with industrial employment in 1981 about half of what it was in 1974. The Union of Textiles Manufacturers estimated that in 1981 the industry employed only 12,000 workers and that less than half of the 1,200 prewar factories were still in business. One of the country's biggest factories- a knitting plant in the Beirut port duty free zone that had once employed 10,000 workers- was destroyed. National Cotton Mill (Filature Nationale du Coton), the biggest weaving and spinning factory in the Middle East, laid off all but 450 of its workers. In Tripoli, Lebanon's largest compressed wood factory was closed in 1981, with the loss of 600 jobs. One of its problems was that it could not compete with the import of wooden products through the illegal ports. ¹⁶

Following the 1975-1976 fighting, the government could no longer afford to try to revive the economy through export subsidies. Even when capital was available, industries were reluctant to use it to expand capacity or modernize machinery. One commentator noted that producers tended to concentrate on improving profits rather

than productivity. Civil strife and disorder continually hampered production, and the financial climate was rarely conducive to investment. The comparative calm of 1977-1982 allowed considerable decentralization of Lebanese industry; and Zahle, Chtourah, Sidon, and the coastal strip under the control of the Phalange Party all enjoyed a limited economic boom. In the far north, remote villages in the Akkar region began to prosper because of their distance from the country's principal areas of conflict.¹⁷

The collapse of business confidence that accompanied the political debacles of 1984 closed hopes for sustained recovery. The Central Bank's tight fiscal attitude limited the money available for investment. Capital investment in industry shrank rapidly in both real and nominal terms, which reflected pessimism over the future of Lebanese industry. For example, investment fell from US\$147.4 million in 1980 to US\$94 million in 1983. By 1984 investment was down to a meager US\$34.9 million and to only US\$10.6 million in 1985. In addition, industrial production fell 3.7 percent to US\$250 million in 1984.¹⁸

In April 1986, Central Bank governor offered to allow the statutory reserves and treasury bonds held by specialized banks to be used as credit for industry. Although some industrial credits appeared to be available at reduced interest rates, it was clear that economic measures alone would not revitalize the nation's fragmented industries.¹⁹

The 16-year civil war that ended in 1991 caused tremendous damage to the industrial sector. By 1993, it was estimated that the Lebanese industry suffered losses of \$1.5 billion. Inadequate infrastructure and shortage of skilled labor are major obstacles in the process of rehabilitation. By 1995, the industrial sector was showing

signs of improvement. Industrial exports in the first quarter of 1995 were up 76% (to \$79.5 million) compared with the same period in 1994. Industry accounted for an estimated 28% of GDP in 1995. Industrial production grew at rates of 3.8% in 1997 and 2.8% in 1998. In 2000, industry contributed 21% to GDP. Major industrial products are clothing, metal, food, marble and sanitary equipment, cement, jewelry, furniture, paper, beverages, and plastic.²⁰

In 2002, manufacturing contributed 17% to GDP and accounted for 40% of total exports.²¹

D. The Chemical Industry in Lebanon

1. *The Development of the Sector*²²

In 1964, the number of firms in the chemicals and chemical production was 54 manufacturing units, which constitutes a percentage of 2.57% from the total number of firms working in Lebanon. These firms engaged 1425 workers so the percentage of workers in the chemical production is 3.47%.

The manufacture of rubber and plastics products included 14 workshops (0.67% from the total number of firms working in Lebanon) with a total of 276 workers (0.67%). Regarding the petrochemical products manufacturing, it had 7 factories and 697 workers.

In 1981, the number of factories reached 67 (2.87% from the total), and the number of workers 1945 (3.01%); compared to 96 factories (1.90%) and 2016 workers (2.57%) in year 1985. The census conducted in year 1994 recorded a growth in this sector to 168 factories (1.80%) with 2930 workers (2.54%).

2. *The Production*²³

The value of production reached 10.7 million USD in 1970, a value representing 88.6% of the capacity of production, with an added value of 3.2 million USD (37% of the value of production).

In 1981, the value of production increased to 66.06 million USD (75% of the capacity of production) and arrived at 96.4 million USD in 1994 (73.03%). The added value was respectively: 40.4 million USD (61.15% of the value of production) and 36.06million USD (36.4%).

The volume of investment in this sector was estimated at 13.9 million USD in 1994.

3. *Imports and Exports*

The Lebanese chemical products are distributed to the Arab markets mainly Saudi Arabia, Syria, The Arab Emirates, Kuwait, and some European markets. The value of exports in terms of chemical products developed from 13.35 million USD in 1970 to 39.6 million USD in 1994 whereas the value of imported chemical products increased from 42.8 million USD to 399.4 million USD for the sane period.

Regarding weight, Lebanon exported 194 tons in 1994 and imported 337 tons, which means that the size of exports represents 57.57% from the size of imports.²⁴

It is important to signal that important changes occurred in this sector during the nineties but no accurate statistics are available.

After the war, it is important to separate the manufacture of chemicals and chemical products from the manufacture of rubber and plastics products according to the classification by sector of the association of Lebanese industrialists (A.L.I), which

relies on the International Standard of Industrial Classification of All Economic Activities (ISIC) code.

4. *The Manufacture of Chemicals and Chemical Products after the War:*

Period (1990-2000)²⁵

Between 1994 and 1998, 201 manufacturing units were registered in the Lebanese ministry of industry with a capital of 40 million USD offering 1394 new work opportunities.

In year 1994, 200 firms of this industry were considered small firms having 1 to 4 workers each, which makes a total of 584 workers representing 20.9% of the workers in the chemical industry.

The wages earned by those workers was 3 million USD in 1998 compared to 1 million USD in 1994. The value of production of small units of production increased by 4 from 1994 to 1998 reaching 19.2 million USD in 1998 compared to 5 million USD in 1994. The added value created passed from 3.4 million USD (55.98%) in 1994 to 10.8 million USD (67.2%) in 1998.

The number of firms with 5 to 19 workers each reached 91 firms with a total of 689 workers. Their wages attained 2.1 million USD in 1994. The value of production of these workers is 28.2 million USD in 1994. The added value created is 11.6 million USD (41.1%) in 1994.

Regarding the firms with more than 20 workers each, their number in Lebanon in year 1994 is 32 firms. The total number of workers in these firms is 1542 workers receiving wages of 1.5 million USD. The value of production of these workers is 147 million USD and they realize an added value of 73.6 million USD (50.04%).

5. The Manufacture of Rubber and Plastics Products after the War:

Period (1990-2000)²⁶

There are 234 units of production in this segment, with one to 4 workers each and with a total of 601 workers. The wages earned by these workers are 2.4 million USD in 1998 compared to 2.1 million USD in 1994 (increase of 13.4%).

The value of production of these small units augmented from 29 million USD in 1994 to 36.7 million USD in 1998, whereas the added value declined from 16.6 to 9 million USD that is from 57.4% to 24.6%. The number of industrial units with 5 to 19 workers attained 580 units with 4000 workers. The wages of these workers were estimated at 12 million USD. Their production value was 97.6 million USD and their added value 34.4 million USD (35.24%).

The census of 1994 revealed the existence of 18 big industrial units (with more than 20 workers each) engaging 869 workers touching 4.6 million USD as wages. They produced the equivalent of 52.4 million USD and realized an added value of 17.4 million USD (33.2%).

E. The Macro Environment of the Lebanese Chemical Industry

The macroenvironment of forces and trends shape opportunities and pose threats. These forces represent "noncontrollables", to which the company must monitor and respond. Companies and consumers are affected by global forces. A successful firm must monitor six major forces: demographic, economic, natural, technological, political-legal, and socio-cultural.²⁷

1. The Demographic Environment

The Central Statistics Administration offers the following demographical figures concerning the year 1997 depicted in Table 2.

Table 2. Lebanon's demographic indicators

Total resident population	4 005 000
Average household size	4.76
Average number of children per family	3.4
Population growth rate	2.2%
Adult literacy rate	88.4%
Urban population	85.0%
Average household monthly revenue	1000 USD
Age structure	
0-14 years	30%
15-29 years	30%
30-64 years	36%
Above 64	4%
Population by sex	
Male	49%
Female	51%

Source: Central Statistics Administration, 1997

Based on a combination of sources (UNDP report, Banque Audi ...) and due to the absence of reliable statistics in Lebanon since the year 1997, the marketing research department of Publicis-Graphics has updated some of these figures for the year 2001. The results are:

- Population growth rate: 1%
- Average household monthly revenue 850 USD

As we can see the population growth rate decreased 1.2% since 1997. In fact, the Ministry of Social Affairs' figures dated November 2001 report a 1.7% rate and the World Factbook figures dated 2000 report 1.3%. The cause of this decline is due to the increase of immigration and the diminishing number of births and marriages.

The decreasing population growth rate affects the market share of each company working in a saturated market.

The declining of the average household monthly income joint to the relatively high adult literacy rate proves that the Lebanese-as most rational consumers- are very sensitive to price.

The age structure shows that the Lebanese population is a relatively young one. This has its positive impact on companies targeting the Lebanese market. In fact; if a company succeeds in attracting and satisfying a young consumer it has important chances of gaining his loyalty toward its brands.

Human resources and entrepreneurship mind have always been behind the growth of the Lebanese economy and particularly its industry. Unfortunately, the situation deteriorated with the prolonged political and economic crisis between 1975 and 1990 and the heavy migration flows that accompanied it.

The comeback of expatriates that started in 1990 and has relatively slowed down since 1996 is far from compensating the massive drain in manpower recorded during the past two decades. The industry was heavily hit both by of its human resources as well as its entrepreneurs.

Added to these migratory losses is the qualitative decline of the existing manpower due to the regression of our education and professional training systems. The Lebanese industry is deeply suffering from these deficiencies and the entrepreneurs are complaining from a lack of qualified manpower and claim that the education system is outdated, inadequate and its programs do not match with the real needs of the market.

The technical education system has very few ties with the enterprises and does not relate or respond to actual needs in the real business world. The technical training is actually acquired within the enterprise through the equipment and machinery

supplier or through the traditional in-house training or job transfers in the small craft industries.

Compared to Arab and European countries, the population size of Lebanon is quite small. Nevertheless; Lebanese consumers have their impact on neighboring countries regarding: trends and style of life. This is mainly due to the interaction between Lebanese and Arabs taking place through the immigration or work visits of Lebanese to Arab countries and the work, tourism, and other purpose (education, health...) visits of Arabs to Lebanon.

2. The Economic Environment

The war left its negative impacts on the Lebanese economy mainly through the devaluation of the Lebanese currency and the inflation. In fact; while the LBP/USD exchange rate was 2.34 in 1975, this figure was stabilized since 1993 to reach around 1500.

Concerning the increase in prices, a survey conducted in 1994 on the cost of living in 144 cities around the world by global consultants Mercer Human Resource Consulting ranked Beirut as the 37th most expensive city worldwide and the 2nd most expensive among 15 cities surveyed in the Middle East and North Africa region. Beirut was the 25th most expensive city worldwide and the most expensive in the region in the 2003 survey. The study measured the comparative cost of over 200 items in each location. These included the cost of housing, food, clothing and household goods, as well as transportation and entertainment, New York City served as the benchmark for other cities with a score of 100. Beirut received a score of 84. On a global basis, Beirut ties with San Francisco, Luxemburg and Düsseldorf.²⁸

The income distribution of the Lebanese population (illustrated in table 1) shows a concentration of most monthly incomes in the category low to medium incomes. The limited monthly income of the Lebanese households reflects the high sensibility of most Lebanese to price.

Heavy industrial investments were made during the past years, but they were not often justified due to the insufficient business volumes which prevent the industries from achieving economies of scale. In other terms, the costs in question are costs of over-investment due to false economic euphoria.

Regarding credits availability and ways to finance projects, the following difficulties hinder the activity of most Lebanese manufacturers:

- The non existence of specialized credit institutions providing medium and long-term loans.
- The high interest rates imposed by banks on credits suitable only for working capital needs.
- Lack of communication between banks and small medium sized industries for different reasons (Lack of transparency of the enterprises, the over reliance by banks on real guarantees in their dealing with the prospective borrowers partly for lack of trust and partly because of the shortages of the legal system).
- High level of self-financing.
- Limited availability of long-term loans.

3. The Natural Environment

In this environment threats and opportunities are associated with four trends: the shortage of raw materials, the increased cost of energy, the increased pollution levels, and the changing role of governments.

The current crisis facing the Lebanese industry consists both in production and marketing problems. The Lebanese industrial production is expensive, while the markets are limited and highly competitive.

One major factor in the industrial crisis is directly linked to the rising operating costs in the sector. These rising costs are due to many factors. Some result from increases in direct operating costs: inputs-mainly imported-, salaries, energy, and other overheads. The cost of raw materials is high due to low volumes especially that most of them are imported. Other problems to be mentioned here: the high cost of electricity, fuel, and telephone; and the non availability of water and non regularity of electricity supply.

Regarding the environment, a state of negligence and laxness cannot be recuperated in a short period of time. The restructuring of the Lebanese industry implies strict adherence to clean production standards, especially that the environment in a small country like Lebanon is one of the major advantages.

Finally, the zoning of industrial areas remains very limited and the industrials are complaining about the situation. As a matter of fact; industrial units occupy 8 million sqm of land, of which 4.8 million are in industrial zones.²⁹

4. The Technological Environment

Technology and new discoveries shape people's lives and affect the economy's growth rate. Every new technology is a force for "creative destruction", recognized to be as the price of progress.

The new technologies and diversification of products are introduced through daily practice and the individual efforts of the entrepreneurs.

The lack of information on supplying sources makes it urgent to upgrade information systems and create information centers to improve access to market information. Also in this field we can mention the delays, paperwork and lack of coordination between different departments due to the lack in modernization and computerization of customs administration.

5. The Political- Legal Environment

Lebanon is a parliamentary democracy where separation exists between the legislative, executive and judiciary branches. Lebanon has always encouraged private investments by adopting minimum state intervention, a policy of unrestricted capital mobility, full currency convertibility, and strict banking secrecy regulations.³⁰

In the year 2000, in order to encourage foreign investments, the investment law was revised to allow foreign ownership and further decrease state intervention.

To enhance the country's revenues, a VAT law stipulating a 10% increase on the price of most consumer items was enacted in February 2002. This law included the detergents, air fresheners, hair products, and other chemical products.

The 1967 law protecting the exclusive representation rights for agents is abolished in an effort to increase competitive level and decrease consumer prices, and to further encourage an open free market economy.

Interventions to protect the industry should be avoided. If protective measures are deemed necessary, they should be kept to a minimum and gradually phased out. Instead of protection, the industry should be given full support for its development.

The role of the public authorities is to provide the proper environment and the necessary institutional framework. It is the private entrepreneurs' own initiative that in the end will strengthen and stimulate their business.

Lebanon has gradually lost its competitiveness in traditional regional markets to products from new developing countries such as Southern and Eastern Europe and Asian countries.

The Gulf countries that were traditional importers of Lebanese products started themselves exporting to our local market. Benefiting from government subsidies and various other support measures, the Gulf countries industrialists are very aggressive on the Lebanese market often offering prices much lower than real production costs were they not subsidized. The same is true for Syrian, Jordanian, and Egyptian products that are also introduced into the Lebanese market at prices so low that they defy any competition.

Gradually, the Lebanese industrialists are trying to redirect their exports towards other European and Asian markets, but they still face many obstacles mainly due to deficiencies in quality standards. The ongoing development and progress of the industry is directly related to the abilities of our industry to upgrade the quality of its products. To meet the growing demand for quality products, Lebanon needs an effective system for the establishment and monitoring of quality standards. Lebanon cannot compete in international markets if Lebanese products do not conform to international standards. Lebanon has to put in place more extensive, dynamic, and flexible standardization systems which can keep up with the rapidly changing national and international requirements.

The Lebanese exporters still have to face the administrative obstacles that hinder transit operations and market penetration in these markets in spite of commercial agreements meant to facilitate access of Lebanese products into these markets. In this field the main problems can be cited:

- High storage costs resulting from the far-too-slow administrative processing of an export license.
- Time consuming export formalities and high port fees.
- High cost of local transport.

6. The Social-Cultural Environment

The Lebanese society has little confidence in the Lebanese products in general. This, in addition to the problems facing the Lebanese industry, makes it hard for the Lebanese manufacturers to compete.

However; due to the fact that a huge category among the Lebanese population is influenced by Western cultures, consumption habits in Lebanon are largely determined by the West.

Also; the presence of strong distributors in Lebanon with long years of experience such as: Fattal, Abou Adal and others gives a priority for imported products on Lebanese ones.

On the other hand; shifts in secondary values are taking place in Lebanon with the awareness of rational Lebanese consumers to the importance of encouraging the home-made products. This alertness is mainly caused by the following reasons: the procedures taken by public authorities in collaboration with the Association of Lebanese Industrialists (ALI) to enhance the image of Lebanese products, the adherence of most local manufacturers to international standards regarding quality and the responsiveness from the Lebanese consumers and the feelings of patriotism.

Finally; it is important to signal that many pioneer Lebanese manufacturers have been capable of establishing well- named Lebanese brands not only in the local market but also in Arab and international markets.

CHAPTER III

A DESCRIPTIVE STUDY OF ZETRA

A. Its Historical Background

In 1945, Zeenni's Trading Agency Zetra Industries saw the light. The founders of the company, Jean and Asma Zeenni were at first interested in the distribution of fast moving consumer goods and pharmaceutical products.

In 1970 the famous hand cream Clipp was introduced. At the beginning Clipp was imported, and then the company got a deal to produce it locally in 1973. In addition to the hand cream Zeenni's Trading Agency also produced toothpaste (Prodent, and Plus X) and shaving cream (Sharp) under license.

By 1978, the company began the production of a new line: the aerosols including deodorant (Body Mist), insecticide (Spritex), and gas refill for lighters.

The year 1984 was a turn point for Zetra; it became the first company in the Middle East to produce PET plastic; a plastic known for its tenacity and transparency. Also a new workshop was built in the same year in order to do plastic injection.

In 1995, the company began the production of PVC plastic as well as a new line of products including: hair oil or tonic (Brylcreem), and shampoo (Brylcreem). The same year "L'Annine", another hand cream was introduced but was designated to exportation.

During the same year the phasing out of CFC occurred in a concern to avoid damaging the ozone layer. CFC was substituted by a mixture of butane and propane as a friendly environment propellant. Also, the company began filling products (filling

contracts) - and sometimes manufacturing the whole product- for other companies which conserved their own labels.

In addition to all the achievements done, Zetra Industries was one of the first Lebanese companies to get ISO 9002 from BSI (British Standard Institution) in 1996. This certificate demonstrates that Zetra operates a quality management system which complies with the requirements of BSI.

The company conserved its leading role when it got another certificate: ISO 14001 from QMA in the year 1997. ISO 14001 is attributed to companies that possess an environmental management system in compliance with the standards required by QMA. By this, Zetra is a pioneer in the whole Middle East zone. Also, a hair spray (Proset) was introduced in 1996.

In 2003, Zetra Industries introduced other new products: air freshener (Ambipur), detergent (Kiwi), shoe polish (Pratico), and hair cream (Brylcream).

A new hair gel (Brylcream) was produced in the year 2004 with the introduction of plastic tubes to contain the gel. Zetra also enlarged the “kiwi” family by adding new items to the existing detergent. The new line of products include: drain cleaner and marble care detergent.

Finally it is important to mention that the company is now directed by its current owners: Mr. Joseph and Mr. Salim Zeenni. The juridical status of Zetra is a joint partnership company.

B. Its Profile

1. Its Product Mix

Zetra is a multiproduct firm. Its current portfolio includes 4 main product lines: the household cleaning products (including the air freshener products); the personal care

products including the hand and body cream products, the deodorant products, the shaving cream products and the hair products; the shoes polish products; and the gas lighters refillers.

The household cleaning products comprises Kiwi Household. Ambipur Air Freshener is the brand under which air fresheners are produced by Zetra. The hand and body cream consists of 2 main brands: Clipp and L'Annine (destined for exportation only). Body Mist Deodorant comes under 5 different fragrances and 2 different sizes. It is designed for exportation. The shaving cream Sharp is presented in packages of 60ml and 100ml. Proset is a hair spray produced by Zetra is also destined for foreign markets. The brand Brylcream includes: gel, styling cream, hair cream, hair tonic, and shampoo. The shoes polish produced by Zetra is named Pratico. In the near future, Zetra will be producing Kiwi shoe polish after getting the license.

Tables 3 and 4 depict the complete list of products that the company offers to the Lebanese market.

Table 3. Household cleaning products under the brand name of *Kiwi*

Product	Size	Diversifications
Drain Cleaner	375 g 750 g	–
Glint Glass Cleaner	500 ml 750 ml	–
Kleen Floor	1 l 2 l	Wild Citrus Super Active Ocean Fresh
Kleen bowl	500 ml	Fresh Lemon Super Active
Pre Wash Stain Remover	500 ml	Citrus Floral

Table 4. Air Freshener under the brand name of *Ambipur Air Freshener*

Types	Diversifications
Electric Starter	Elegance-Soleil-Harmony-Sky-Innocence-April-Aqua-After Tobacco-Kitchen Fresh
Electric Refillers	Elegance-Soleil-Harmony-Sky-Innocence-April-Aqua-After Tobacco-Kitchen Fresh
Liquifresh Starter	Ocean-Forest-Fruity-Ultra Hygiene-Secret Garden-Spring Dew-Citrus
Liquifresh Refill	Ocean-Forest-Fruity-Ultra Hygiene-Secret Garden-Spring Dew-Citrus
Car Starter	Aqua-Vanilla-Anti Tabac-Pacific Air-Desert Sun
Car Refill	Aqua-Vanilla-Anti Tabac-Pacific Air-Desert Sun
Radiant One Push	Flower Fresh-Citrus Fresh-Ocean Fresh-Fruits-Ocean-Citrus-Bouquet

Source: Zetra's Management 2006

2. Its Mission Statement, Quality Policy, and Environmental Policy

From the two policies fixed by the management (the quality policy and the environmental policy), we can deduce the following mission statements, using the managing director's own words:

"The main purpose of ZEENNI'S TRADING AGENCY is to efficiently manufacture acceptable quality products at minimum cost, and at the same time increase share of business both in home and over seas markets. Furthermore, all efforts are made to identify and fulfill customers' requirements as well as continually improving the effectiveness of the quality of the management system.

It is also the policy of ZEENNI'S TRADING AGENCY to provide its customers with products in conformity with company's specifications. Adherence to this policy involves almost every aspect of the company's business and the majority of its employees". Refer to Appendix 3: Quality Policy.

Regarding the environmental issue; the company "has defined and developed an environmental policy that reflects, and is relevant and appropriate to the nature,

scale and environmental impacts of - ZETRA INDUSTRIES' activities, products, and services and to demonstrate its commitment to:

- Continual improvement and prevention of pollution.
- Compliance to all relevant environmental legislation and regulations, and any other requirements to which ZEENNI'S TRADING AGENCY- ZETRA INDUSTRIES may describe to or have control over.
- Developing an environmental program that sets and reviews the environmental objectives and targets.
- Documenting, implementing and maintaining the policy and communicating it to all employees.

Making it available to the public as and when needed.” *Refer to Appendix 4:*

Environmental Policy.

3. Its Objectives

The objectives of Zetra could be summarized by:

- Building a brand name for the company in both the Lebanese and foreign markets. Defined as a shortcut to a consumer's mind and emotions, brands connect with customers in a way that no other marketing or sales tool can.
- Increasing the company's market share.
- Establishing a marketing department.
- Elaborating a marketing strategy.
- Offering a high ratio: Quality/Price.

4. Its Structure

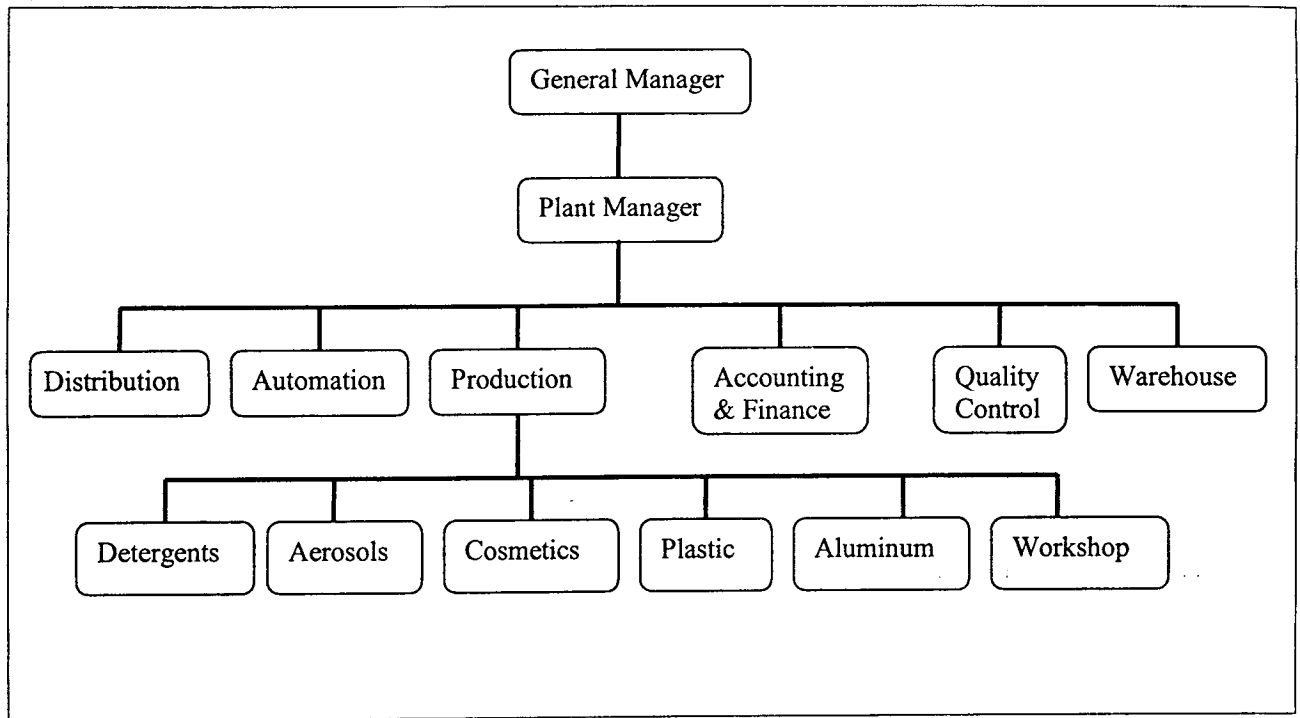


Fig 1. The organization chart of Zetra in 2006

Source: Zetra's Management, 2006

On the top of the hierarchy of Zetra is the general manager and at the same time owner: Mr. Salim Zeenni. He is followed by the plant manager: Mr. George Sarkis. As we can see in the figure above; Zetra has 6 major departments: distribution, automation, production, accounting and finance, quality control, and warehouse.

An important thing to mention regarding the organization chart of Zetra is the absence of a marketing department. However; due to the difficulties of communication during the war period, the management of Zetra established a marketing department in Holland. The reason behind the choice of Holland could be explained by the fact that Clipp was originally made there.

As a whole, the personnel of Zetra (consisting of both: managers and operators) includes approximately 80 persons.

The distribution department is concerned with the local distribution to wholesalers and supermarkets of 4 major products produced by Zetra: Clipp, Sharp, Spritex, Gas refillers (which come in 3 different brands: Super Gas, First, and Win).

Regarding the automation department, it is mainly concerned with software development and machinery upgrading to keep up with the technological advances and benefit from hi-tech innovations.

The production department is the largest one because Zetra is basically a manufacturer. The production department includes 6 segments: detergents, aerosols, cosmetics, plastic, aluminum, and the workshop.

Although the company doesn't have a maintenance department, the maintenance activities are assumed by the workshop. However; the management is considering establishing a department for regular maintenance and repair activities. The management of the workshop is assumed by a mechanical engineer. This department is also responsible for the preparation of molds.

Due to fluctuations in the rhythm of production, Zetra applies the concept of post rotation to ensure the continuous occupation of the operators by shifting them from one department to another according to the needs of production.

The post rotation makes it impossible to determine the number of operators in each department. However; two segments of production are always operating: the plastic segment (for the manufacturing of PET bottles and packaging) and the aluminum segment (also for packaging).

The accounting and finance department is in charge the recording of accounting operations and the determination of profits or losses and accordingly the taxes to be paid. It is also concerned with the study of alternative ways of financing projects and determining the working capital and other finance related activities.

The quality control department covers 2 issues: the quality testing and the environment protection. Regarding the testing it happens in the laboratories of the company in order to control the mix and the filling of the products. All actions made in this field are to “ensure that the quality systems in accordance with ISO 9002 are appropriately implemented and maintained in all areas of the company”. *Refer to Appendix 3: Quality policy.*

The environmental issue is mostly related to the environmental policy of Zetra. In fact; in this policy Zetra is committed to prevention of pollution and to compliance to environmental legislation and regulations. *Refer to Appendix 4: Environmental policy.*

In the warehouse, all orders made by the clients of Zetra are prepared and stocked until the delivery time. Also, raw materials when purchased are stored inside the warehouse until they are used.

5. Its Classification

a. Classification by Sector

The classification by sector according to the Association of Lebanese Industrialists (ALI) places Zetra in 2 sectors each with the following codes and descriptions shown in Table 5.

Table 5. Classification by sector according to ALI

Code 24	manufacture of chemicals and chemical products
Code 25	manufacture of rubber and plastics products

Source: <http://user1041620.wx19.registeredsite.com/Ali/Ar/>

ALI uses as a reference the International Standard of Industrial Classification of All Economic Activities (ISIC) code. The code was developed by

the UN as a standard way of classifying economic activities. The (ISIC) code groups together enterprises if they produce the same type of goods or service or if they use similar processes (i.e. the same raw materials, process of production, skills or technology). The ISIC system is now used widely by governments and international bodies as a way of classifying data according to economic activity. One key purpose of the code is to standardize data collection and promote international comparability.³¹

b. Classification by District

Due to its location in Barsa, Zetra is part of “Koura” district located in North Lebanon. North Lebanon is the second largest industrial center after the Capital region, having 19 percent of industrial establishments and 12 percent of the country's industrial work-force.³²

c. Classification by Category

Members of the Association are classified in four categories (illustrated in Table 6.) according to the number of points accumulated.

Table 6. Classification of manufacturers by ALI according to categories

First Category	Manufacturing enterprises accumulating 10,000 or more points.
Second Category	Manufacturing enterprises that accumulate between 9,999 and 5,000 points.
Third Category	Manufacturing enterprises that accumulate between 4,999 and 1,000 points.
Fourth Category	Manufacturing enterprises that accumulate less than 1,000 points

Source: <http://user1041620.wx19.registeredsite.com/Ali/Ar/>

Zetra is classified in the first category since it accumulates more than 10,000 points.

d. Classification by Size

Actually, the company engages approximately 80 workers. According to the Lebanese standards, Zetra is a medium-sized company. If we consider the chemical industry itself, statistics show that the industrial firms regarded as big manufacturing units are the ones engaging more than 20 workers. Therefore; Zetra is a big company in this field of production.

C. Zetra and the Problems of the Lebanese Industry

If many Lebanese manufacturers complain about being unable to achieve economies of scale because of weak production volumes, Zetra has compensated the insufficiency in the local market by targeting external markets through exportation. However; as part of the Lebanese chemical industry, Zetra faces most of the industry's problems.

The cost of raw materials constitutes a heavy load on Zetra specially that approximately 97% of the raw materials it uses are imported from Europe. The devaluation of the American dollar toward the euro worsens the situation even more. It is important to mention here that Zetra benefits from exemptions of custom duties on imported raw materials.

To face the continuous interruption of electric supply, Zetra had to make additional investment by acquiring generators. Added to this problem is the cost of electricity which is considered as one of the highest costs of power supply in the region.

Due to the mentality of the owners and to the fact that the company is a family-owned business, Zetra relies on self-financing.

The deficiency in terms of industrial areas due to limited zoning made the company support excessive charges especially that big investments in buildings are made.

Legal formalities (bureaucracy, delays...) are a source of complaint from most industrialists; the conditions imposed are endless and the procedures are time-consuming involving number of ministries.

The competitiveness of Lebanese products is endangered by unbalanced application of trade liberalization agreements with regional countries.

International dumping practices on the Lebanese market are caused by the subsidies foreign manufacturers get from their governments and by the non-interference of the Lebanese government. Those practices hinder the ability of the Lebanese manufacturers to compete under fair terms.

Regarding the internal competition, the concentration in few lines of business is mainly due to absence of innovation and diversification. The absence of well-equipped laboratories in Lebanon in general and the limited research and development department in Zetra often confine the company to realize shy diversifications inside the same line of products.

Since Zetra aims-in addition to the Lebanese market- external markets, it suffers like most Lebanese exporters from a series of problems. Among the obstacles that hinder the activities related to exportation are: the administrative ones and the time consuming formalities.

The company's management doesn't complain from the storage costs regarding exports because the merchandise destined to be exported are kept inside the company until all exportation conditions are met.

However; when it comes to imports (mainly raw materials and such) the situation becomes different, the conditions required being numerous and exhaustive make Zetra support important costs of storage until the fulfillment of the requirements.

In order to maintain the position of Zetra on both the Lebanese and external markets, efforts to upgrade quality are constantly spent. These efforts cover a variety of points. Even though no changes are introduced to the formula, the management always seeks to improve the design, the machinery, and the process of production and inspection.

When it comes to the environmental issue, the least one can say is that Zetra is concerned and devoted to apply to clean production standards since it was the first Lebanese manufacturing company to acquire ISO 14001. This confirms the saying of a Lebanese industrialist: “There are no polluting industries however there are polluting industrialists”.

Concerning transport, not only the costs are high but also the service is not regular especially in the case of foreign transport. The non availability of direct regular transport leads to transshipment and delays.

What is really a surprise in the case of Zetra is the absence of problems related to the availability of qualified human resources. In fact, the company- with the help of the government- managed to apply a new system. According to this system, a tight collaboration between Zetra and a technical institute is set up allowing the student to combine studying at the technical school with doing a professional training at Zetra. So, whenever the company needs competent workers the solution is quite easy and satisfying.

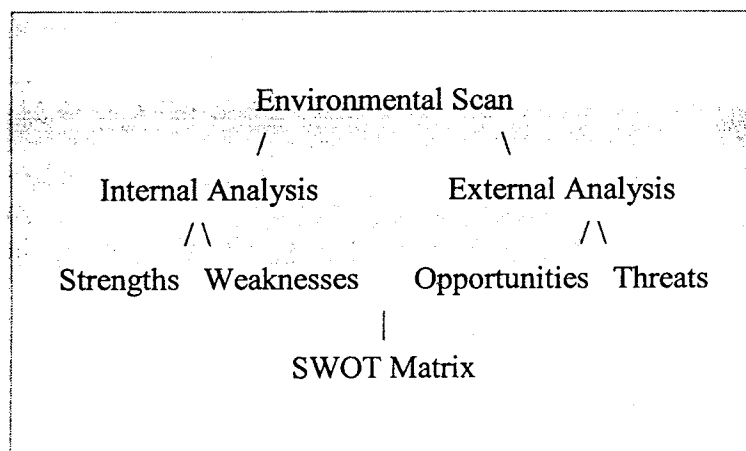
D. SWOT Analysis

As mentioned above before determining the marketing strategy for any company and in our case for Zetra, it is crucial to conduct an analysis that evaluates the strengths, weaknesses, opportunities and threats (SWOT) facing Zetra.

The SWOT analysis is a proven marketing tool used to clarify market position and shape strategic marketing goals.

The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection. The following diagram shows how a SWOT analysis fits into an environmental scan.³³

Table 7. SWOT Analysis Framework



Source: Bradford, Robert W., Duncan, Peter J., Tarcy, Brian, *Simplified Strategic Planning: A No-Nonsense Guide for Busy People Who Want Results Fast!*

As David Hussey says: “The worst assumption to make is that the industry is only what you happen to do, rather than what it really is.”³⁴ The importance of the

SWOT analysis is to assure the optimal use of opportunities and to take advantage from the existing strengths in a way to gain a distinctive advantage.

1. Strengths

- The long years of expertise in the field of manufacturing.
- Well-established brands for some of the existing items.
- The licenses and patents.
- The existing contacts regarding: imports and exports.
- The acquisition of ISO 9002 and ISO 14001.
- The good staff and the existing of team work.
- The existence of lifetime jobs.
- The possibility to assure the presence of qualified human resources through the collaboration with educational systems.
- The application of job rotation in the manufacturing process.
- The achievement of economies of scale.
- The targeting of both local and foreign markets.
- The absence of bureaucratic problems due to a simple structure.
- The continuous reforms conducted inside the firm to always be up-to-date.
- The independence in taking the decisions since it is a family-owned business.

2. Weaknesses

- The neglect of marketing efforts and the absence of a local marketing department.
- The adoption of a production orientation concept.

- The poor and too-simple organizational structure.
- The weak and unclear distribution of tasks.
- The high level of self-financing.
- The seniority of many employees mainly in the department of distribution.
- The lack of access to key distribution channels.

3. Opportunities

- The possibilities offered by marketing practices.
- The improvement of the image of Lebanese products.
- The possible trade agreements with Arab, European and other countries.
- The arrival of new technologies.
- The conduction of this study.

4. Threats

- The unfair competition exercised by foreign producers who are benefiting from governmental subsidies.
- The possible entrance of new competitors that might affect the market share of Zetra.
- The barriers to entry set on the Lebanese exports by Arab or other foreign countries. Examples of these barriers are: the time-consuming procedures and the special testing always required before penetrating a new market, whereas the Lebanese imports do not face such exhaustive and costly regulations.
- The practices of imitation of the products of Zetra with no or little protective measures taken by the government.

- The high costs of machinery and equipment.
- The high costs of electricity, fuel, and telephone.
- The low confidence in Lebanese products.

As one can see, Zetra has major strengths that can be exploited in a better way such as the existence of famous brands like Clipp and Ambipur and others. So, the company can work on associating these brands with other less famous brands it is manufacturing in a way to boost their sales and enhance their images. Also; the acquisition of ISO 9002 and 14001 facilitates the procedures of exportation. The targeting of both local and foreign markets reduces the risks of dependence on one specific market and helps in realizing economies of scale.

The well qualified human resources of Zetra and the application of job rotation enables the company to minimize the occurrence of errors of work due to the learning process. Nevertheless; it is important to signal in the field of human resources that the seniority of many of the employees is both strength and a weakness. It is strength because it makes it possible for Zetra to benefit from the long years of expertise of its human resources. On the other hand; it can be seen as an obstacle to enhancement by limiting a “new blood” to circulate inside Zetra and thus; it reduces the chances of getting new ideas and new ways of dealing with situations.

Regarding the simplicity of the structure- although it reduces the bureaucratic problems- it can be seen more as a weakness due to the unclear distribution of tasks. This could hinder the decision taking process and could harm the application of a vigorous control based on specific norms.

Another weakness of Zetra is that it is oriented toward production rather than concentrating on the customer and its changing needs. This could cause a “marketing myopia”.

Being a family-owned business increases the tendency of the owners to self-finance their projects. However; other lucrative alternatives for financing can be considered.

On the other hand; Zetra can benefit from many opportunities taking place, mainly from the commercial agreements with neighboring and other countries. The results of this study should also be of great help to the company and serve as a guide in the elaboration of the strategic planning.

As with all the Lebanese manufacturers, Zetra is threatened by inequitable competition from foreigners. This, in addition to the absence of protective measures or to say the least encouraging measures that could be taken by the government threaten the survival of Lebanese industries. The unjust exchange between foreign countries and Lebanon- interpreted by severe norms, standards and procedures fixed by Arab, European and other countries versus undemanding ones from Lebanon- constitutes a threat to the Lebanese industry in general.

E. The Marketing Practices

We can distinguish three stages through which marketing practice might pass:

- Entrepreneurial marketing: Most companies are started by individuals who live by their wits. They visualize an opportunity and knock on every door to gain attention.

- Formulated marketing: As small companies achieve success, they inevitably move toward more formulated marketing which requires setting up and managing a capable marketing department.
- Intrepreneurial marketing: This is when companies visualize new ways to add value to their customers' lives. ³⁵

Since the management of Zetra emphasizes more on being manufacturers rather than distributors little efforts are engaged in terms of marketing.

In fact, no marketing department exists in Lebanon for Zetra and the marketing tasks are not being assumed by a specific marketing executive. Therefore, we can conclude that Zetra is practicing an entrepreneurial marketing.

“Marketing can be misplaced in the sense that it is "lost" or missing when a business, government agency, non-profit organization or other group could (or should) follow the basic dictates of a marketing perspective but does not. In these instances, marketing tools or tactics are used without reference to the strategy or perspectives of a marketing orientation.” ³⁶

If we look at the definition of "misplaced marketing" we could realize that it is also the case of Zetra. Actually, one of the main objectives of this study is to show more interest in marketing in Zetra and move toward a functional marketing and perhaps, later on when the importance of marketing practices is confirmed, to a more innovative type of marketing.

CHAPTER IV

THE MARKETING STRATEGIES OF ZETRA

A. The Product Strategy

The word product qualifies a marketing concept. A product is more than a person, place or thing. Nothing is more important to a marketing strategy than the "product concept".

Different issues are to be discussed in this field, mainly: the quality, the branding and the packaging.

Zetra insists on providing high quality products with the lowest price possible. In other terms, Zetra applies a hybrid strategy which is an attempt to provide quality products and services at low prices.

The constant improvements realized in almost all departments of the company reflect the special interest of Zetra's management in quality. Zetra is also one of the first Lebanese companies to obtain internationally accepted certificates regarding quality: the "ISO 9002".

The manufacturing of high quality products by Zetra is also ensured by the use of good quality raw materials, the respect of well-balanced chemical formulas, and the constant test applied before commercialization of products.

Concerning the branding and packaging issues an elucidation is to be made: almost all products produced by Zetra are under license from foreign and international companies. This clarification is necessary to highlight the limitations that disable Zetra from introducing major changes regarding both packaging and branding. Zetra is only entitled to do some adaptations to the Lebanese and other Arab markets such as: the writing on the packaging in Arabic in order to inform Arab consumers.

This applies to all products manufactured by Zetra under license from other firms to the exception of Sharp (the shaving cream). In fact, Zetra was given full authority to introduce all changes judged necessary to increase Sharp's market share.

However; the company did not succeed in this role although the price of Sharp and its packaging are quite satisfactory. A study conducted in 1998 shows that the consumers had a bad impression on Sharp's quality. The following figures give an idea about their opinions regarding the quality of this shaving cream.

Table 8. Respondents' opinions in Sharp's Quality

Sharp's Quality	% of Respondents
Bad	50%
Acceptable	50%
Good	0%
Perfect	0%

Source: Jean Andre Malkoun; *Les Societes Zeenni's Trading Agencies Zetra*, Lebanese University 1998

Based on these figures, Sharp could be classified among the "failures" proposed by Peter Drucker.³⁷

Concerning the products that Zetra manufactures for other Lebanese companies (subcontracting), the same quality standards are respected. These products are sold under private labels and are mainly in the categories of: deodorant, shaving creams, and shampoo. The packaging and labeling is usually prepared by the participation of both parties engaged: the subcontractor and the subcontracting companies.

It is obvious that Zetra is applying an undifferentiated marketing strategy; that is a strategy that overlooks segment differences and uses the same marketing mix for all target markets.³⁸ In other terms Zetra is opting for the differentiation of products versus the non-differentiation of the market.

Regarding Ambipur, the air freshener, Zetra has worked on increasing the breadth of this line of product in order to satisfy almost all types of consumers who are willing to use air fresheners. The consumer has the choice between electric starters, car starter, Liquifresh starters, and radiant one push. The drawbacks of broad product lines are reduced volume for each brand (cannibalization), greater manufacturing complexity, increased inventory, more management resources required, more advertising (or less per brand), clutter and confusion in advertising for both customers and distributors.

Since Zetra is also targeting foreign markets mainly The Gulf, it is adopting a market development strategy. In fact, such strategy attempts to introduce an existing product into new markets. An enterprise may go beyond the domestic market and win foreign markets. In this way its activities become internationalized.³⁹

Zetra is producing two types of shoe polish: Pratico and Kiwi. It is, therefore; seeking to increase its market share. So; it can occupy more of the distributor's shelf space thus, preempting competition. However; Zetra might suffer from the effects of cannibalization. While this procedure would cause Zetra to cannibalize some of its own sales, it is better to do so on oneself than to let the competition do so.

For Zetra, Clipp falls in the category of "breadwinners", which, according to Peter Drucker's Harvard Business Review article are: "Today's, tomorrow's, and yesterday's".⁴⁰ The survey conducted in 1998 shows the following percentages:

Table 9. Respondents' opinions in Clipp's quality

Clipp's Quality	% of Respondents
Bad	12.5%
Acceptable	22.91%
Good	43.75%
Perfect	20.83%

Source: Jean Andre Malkoun; *Les Societes Zeenni's Trading Agencies Zetra*, Lebanese University 1998

Concerning Kiwi Household, the household cleaning products; it is too early to have an assessment on this line of product in the Lebanese market. But from the list of products of Zetra one can deduce that the firm is seeking to differentiate this line of products by providing different packages and scents or diversifications (See Chapter III, Table 3).

B. The Price Strategy

There are four classic price/selling effort strategies:

<i>Selling Effort</i>	<i>Price</i>	
	Low	High
Low	Necessity Goods	Classic Skim Strategy <i>Vulnerable to new entrants</i>
High	Classic Penetration Strategy	Luxury Goods

Fig. 2. The price/selling effort strategies
 Source: *QuickMBA.com copyright 1999-2004*

In general, products are clustered in the low-low or high-high categories.

Because most of the products manufactured by Zetra are necessity goods, its products are grouped in the low-low category. As a matter of fact, the selling efforts are quite limited at Zetra and the prices of its products are very acceptable.⁴¹

One can say that Zetra is using a penetrating strategy, which seeks to gain market share by sacrificing short-term profits, and increasing the price over time as market share is gained.

For some items (mainly: Clipp due to the large volume of sales) Zetra is using the cost leadership strategy. The strategy of low prices is employed by companies with a cost advantage resulting from their controlling a large market share of usually standardized products manufactured in large volumes (effect of scale). In fact, a survey conducted shows that the price of Clipp is judged as low to acceptable by all the respondents interviewed.⁴²

In this same survey; the price of Spritex and that of Sharp are also deemed “acceptable”. As a matter of fact; the low price of Sharp might explain the reason consumers fear to try it. According to the plant manager, Mr. George Sarkis, the reason of the consumers’ behavior might be Sharp’s low price compared to its competitors. In fact; Sarkis adds that -during a visit to a supermarket- he urged a woman to try Sharp by praising the product’s quality but the woman wouldn’t accept to try it not even for free. So when asked about the reason of Sharp’s rejection, the woman answered it’s so cheap...⁴³

C. The Place Strategy

The following products manufactured by Zetra are distributed by the salesman of the company itself: Clipp, Sharp, Spritex, Super Gas or Win or First(Gas refillers). In this case, the distribution follows the circuit: manufacturer- wholesaler- retailer- consumer. This applies to all the regions of Lebanon to the exception of the North where the company chooses to distribute its products directly to retailers then to consumers covering 61 points of sales.

For small orders, the products are usually delivered by car or minivan; whereas for big orders, deliveries are done by trucks.

The remaining products are mostly distributed on the Lebanese market by Eastern Distribution.

The advertising agency “RIZKADV and Associates”, upon the request of Zetra, monitors the placement of the company’s products on the shelves of the points of sales to ensure the best display of the products.

However; it is important to signal in this field that most of Zetra’s products are not found in ‘Spineys’. In “Charcutier Aoun”, the products of Zetra can be found but, according to a member of the staff at the hypermarket, the distribution done by Zetra and its distributors is too weak. No real interest from the part of the distributors is shown. In “Fahed Supermarket”, Zetra’s products are available but the distribution is criticized as being irregular. ⁴⁴

The sales forces get supplementary commissions when they achieve an important volume of sale. A point to make here is the fact that the salesmen have been working for the company for a long period of time; a fact that helps the company to benefit from the long years of experience of its employees. However; the management should also seek to make sure “new blood” always enters to the company in order to invigorate Zetra’s distribution strategy.

Finally; products destined for exportation are prepared according to orders.

D. The Promotion Strategy

Zetra requested the service of an advertising agency: “RIZKADV and Associates” to carry out a study on Zetra’s products in the Lebanese market in order to watch competitors and to determine what efforts should be made. As a matter of

fact; “RIZKADV conducted the study and provided Zetra with important statistics about the company’s products. Unfortunately; we weren’t given access to the information collected in this study. The reason behind this lack in information is due to a problem in the archive after that the management moved from the ancient building to the new one.⁴⁵

In almost all the hypermarkets visited- the same complaint was proclaimed: Zetra doesn’t make any appealing offers nor does it give facilities in payments or other. Another weakness is that Zetra doesn’t use any “displays” inside the points of sale to promote the sales of its products.⁴⁶

When it comes to advertising; very few efforts and a limited budget are engaged in this field. These limitations and disinterest in advertising are caused by the fact that prior advertisements have not realized a direct positive impact on the volume of sales of the company, nor did it increase the degree of popularity of Zetra or either of its already existing brands.⁴⁷

In the past, advertisements for Clipp were always displayed on television (mainly: “TL” and “LBCI”). The budget for such advertisements was determined according to a certain percentage of the volume of sales for this brand.⁴⁸

Although Clipp has a good reputation on the Lebanese market, no actions were taken by Zetra’s management to benefit from this strength in order to make offers that could associate to Clipp other products manufactured by Zetra. The management of Zetra fears that promotional offers might affect negatively the positioning the consumers have of Clipp in their minds.⁴⁹

CHAPTER V

CONTRIBUTIONS AND NEW FINDINGS

A. The Survey

In order to elaborate an adequate marketing strategy for Zetra it is essential to begin with data collection.

To obtain a global view on the situation of Zetra and the context it evolves in, data collected from the field is deemed necessary. Primary data regarding the subject stems from three main sources: the plant manager, some members of staff management in important Lebanese hypermarkets, and the consumer.

For the first and second sources, personal interviews were conducted. As for the consumer and in order to know his opinion, the conduction of a survey through questionnaire distribution was deemed necessary.

An important remark to mention here is the non-availability of governmental or official information related to the chemical industry in Lebanon. In addition to this fact, the insistence by the management of Zetra to conserve the secrecy on Zetra's sales figures and market share constitutes an obstacle to this project, although very helpful primary data was revealed by the plant manager through personal interviews.

1. *The Sample*

The sample should be representative of the target population. Since Zetra is a multiproduct firm, its target population includes different types of consumers.

The survey conducted ignored three major lines of products produced by Zetra: Clipp (the hand and body cream), Sharp (the shaving cream) and Spritex (the

insecticide). The reason behind this is that a prior quantitative survey with questionnaire distributions has already covered these issues. The study was conducted in 1998 by Jean Andre Malkoun from the Lebanese University in order to obtain his BA in Business Administration.

This would leave us with the following lines of products destined to the Lebanese market: Kiwi (the household cleaning products), Bryllcreem (the hair products: shampoo and gel), Pratico (the shoe polish), and Ambipur (the air freshener).

Regarding the household cleaning products, the main target is directed toward the female gender (basically: housekeepers with ages from 20 and above). However - in few cases- the buying decision and shopping for household needs is done by the man of the house. When it comes to the hair products (shampoo and gel) both genders are involved with different categories of ages concerned.

The shoe polish line and the air fresheners, they are designated for both genders and most categories of ages.

Therefore, we can conclude that Zetra, due to its different products, is interested in both genders with different categories of ages.

In particular, the personal interviewing method was used by intercepting people throughout Lebanon with emphasis on Mount Lebanon and North Lebanon using the in-home interviewing.

Regarding the sampling techniques, we have used the convenience sampling, a non-probability sampling technique that attempts to obtain a sample of convenient elements. Therefore, the selection of sampling units was left primarily to our judgment and convenience.

One hundred and thirty questionnaires were distributed among people to help us collect information needed. The purpose of this questionnaire is to help us determine the preferences of our target, which will be very helpful to determining the adequate marketing strategies for Zetra.

The information collected was disseminated and analyzed through the use of SPSS v 11.0

2. The Methodology

The questionnaires were given out to respondents directly, face to face, and they were requested to fill it in writing. This was done to increase objectivity and to gain time. Among the 26 questions included in the questionnaire, 15 of the questions used are structured ones with 2 main types: 6 multiple-choice questions, 5 scale questions, and 4 dichotomous questions. The other 11 unstructured questions are multiple choice but open-ended questions (including an option of the type: “other; specify” that respondents answer in their own words).

Ordinal scales are used in the questionnaire to allow us to determine preferences of the respondents.

During the process of preparing the questionnaire, different criteria were taken into consideration. In terms of choosing questions wording, “the guidelines were: the use of ordinary words, avoid ambiguous words, avoid leading questions, avoid implicit alternatives, avoid implicit assumptions, and avoid generalizations and estimates.”⁵⁰

B. The Results

1. Interpretation of results

In all what follows refer to “Appendix 2”.

Regarding the ages of the respondents, 62.3% of them fall in the category of age: “less than 25”. The reason behind this is that most of the questionnaires were distributed in universities. 22.3% of the respondents are aged between 25 and 35 years old. 13.1% of the respondents are between 35 and 45 years old and a percentage of 2.3 of the respondents are in the category of age: “more than 45”.

According to the gender criteria, 52.3% of the interviewed are from the male gender, this leaves us with 47.7% from the female gender.

79.2% of the interviewed are single and 20.8% of the respondents are married.

Only 13.8% of the respondents are aware of the existence of a company named “Zeenni’s Trading Agencies” or Zetra. This is a very low percentage compared to 85.4% of respondents who have no idea about the company.

However; a look at the results concerning the familiarity of the respondents to the products manufactured by Zetra shows that only 13.1% of them are not familiar to any of Zetra’s products and 86.9% recognize one or more of Zetra’s products. This allows us to conclude that the major problem facing Zetra in terms of the awareness of consumers and potential consumers is that they don’t make a relation between Zetra’s products and Zetra in their minds. So, most of them are unaware of the existence of Zetra as a manufacturing company that provides different types of products simultaneously. A detailed interpretation of the findings related to the familiarity of the consumer to Zetra’s products will be discussed later on.

When it comes to buying one or more of Zetra's products, 26.9% of the respondents admit not buying any of Zetra's products versus 73.1% of the respondents who admit buying one or more of the company's products.

Regarding the question: "Do you prefer Lebanese products to foreign ones?", 54.6% of the respondents answered "yes" and 44.6% of the interviewed answered "no" and 0.8% of them saw that it did not matter for them.

In this field, 30% of the respondents specified that they preferred Lebanese products because they like to encourage their local production (they chose the fourth option in this multiple-choice question: "other; specify..."). 27.7% of the respondents have no trust in the Lebanese products. 28.5% of the respondents found that Lebanese products have better ratio: quality/price, versus 13.8% of them who opted for the option: "better ratio Quality/ Price for foreign products".

According to the monthly family income in LBP, the results are as follows: 3.8% of the respondents have an income less than 500,000 LBP, 9.2% of them get between 500,000 LBP and 1,000,000 LBP, 13.8% of the interviewed fall in the category: "Between 1,000,000 LBP and 1,500,000 LBP", 22.3% get between 1,500,000 LBP and 2,500,000 LBP, 18.5% of them get between 2,500,000 LBP and 3,500,000 LBP, and finally, 32,3% of the respondents have a monthly family income higher than 3,500,000 LBP.

56.9% of the interviewed confirmed that they use air fresheners versus 43.1% of the respondents who were non-users of air fresheners.

On top of the air fresheners comes Air Wick which is judged number one by 33.8% of the respondents (users and non-users of air fresheners altogether). The second place is occupied by Ambipur with 10.8% of the respondents classifying it as the number one air freshener. Ambipur is followed by Wella Straight, Glade and

Tesco with the percentages: 6.2%, 4.6% and 0.8% of the respondents simultaneously. None of the respondents finds that Renzit or Oust occupies the first rank in air fresheners.

As for the reason they prefer a brand of air freshener to another, 16.9% of the respondents mentioned it was “best quality” whereas 15.4% of them voted for “best ratio: Quality/ Price” and 11.5% of them opted for “durability”. Then comes: “Accessibility”, “Best Price”, “Advertising”, and “other” (mainly the smell) with 6.2%, 3.1%, 2.3% and 0.8% of the respondents simultaneously.

Regarding shampoos, Herbal Essences was chosen as the mostly preferred shampoo by 22.3% of the respondents. It is followed simultaneously by Palmolive (13.8%), Pantene and Garnier with the same percentage (13.1%), L’Oreal (12.3%), Head and Shoulders (11.5%), Johnson’s Baby Shampoo (9.2%), “other, specify...” (mainly: Dove and olive oil soap with 2.3%), Pert Plus (2.3%), and finally Bryllcreem (1.5%).

The criteria according to which shampoo is chosen are in order of importance with the percentage of respondents between parentheses: “Quality” (55.4%), “Best Ratio: Quality/ Price” (24.6%), “Advertising” (8.5%), “Best Price” (4.6%), and finally with the same percentages: “Accessibility”, “Promotions”, and “Other; specify...” (2.3%).

52.3% of the respondents are users of gel versus 47.7% of respondents who are non-users.

23.1% of both the users and non users interviewed prefer Satinett, which is followed by the following New Wave (9.2%), Taft (6.2%), Nivea (5.4%), “Other; Specify...” (3.1%), “Bryllcreem” (3.1%), VO5 and Cosmal (2.3% each).

If we are to consider the preferences of gel users alone (without non-users), the percentages become: Satinett (42.3%), New Wave (16.9%), Taft (11.3%), Nivea (9.9%), Bryllcreem (5.6%) as “Other; Specify...” (5.6%), and both VO5 and Cosmal (4.2% each). Therefore, we can conclude that Satinett is the leader in terms of consumers’ preferences.

The first reason that makes the respondents prefer one brand of gel to another is: “Best Quality” with the percentages: 23.1% of the respondents and 42.3% of gel users. The second reason is: “Best Ratio Quality/Price” with 18.5% of the respondent agreeing on this point or 33.8% of gel users. These criteria are followed by: “Best Price” (4.6% of respondents or 8.5% of gel users), “Accessibility” (3.8% of respondents or 7% of gel users), “Advertising” (3.1% of respondents or 5.6% of gel users), “Promotions” and “Other; Specify...” got equal percentages (0.8% of respondents or 1.4% of gel users).

Regarding detergents; Der General is considered the number one detergent by 76.9% of the respondents. So, by far, Der General is the market leader in terms of detergents. It is followed by Ajax (21.5% of respondents), then by Kiwi and Mirage with equal percentages (2.3% of respondents), and finally by Mr.Propre (1.5% of respondents).

According to 40.8% of the respondents, the first criterion taken into consideration when choosing a brand of detergent is when it provides the “Best Ratio: Quality/ Price”. Then comes “Best Quality” (37.7% of respondents), which is followed by “Appealing Package” (4.6% of respondents). “Accessibility”, “Advertising”, and “Other; Specify...” have equal percentages each with 3.8% of respondents. Out of 130 respondents or 3.1% of the interviewed did not give any answer.

Kiwi is considered by 62.3% of the respondents as the number one shoe polish. Silver got 11.5% of the respondents' choice as number one shoe polish. 10% of the respondents chose Pratico and 4.6% of them preferred Woly. Certainly, Kiwi dominates the market of shoe polish.

17 respondents or 13.1% of the interviewed did not answer the questions related to shoe polish.

The reasons of their choice of a brand of shoe polish are in order of importance: "Best Quality" (38.5% of respondents and 44.6% if we are to eliminate the missing values due to unanswered questions), "Best ratio: Quality/Price" (30.8% and 35.7%), "Accessibility" (8.5% and 9.8%), "Advertising" (3.1% and 3.6%), "Best Price" and "Appealing Package" with equal percentages (1.5% and 1.8% each).

As mentioned above, a detailed presentation concerning the familiarity of the respondents to Zetra's products is provided below.

Beginning with Clipp, 69.2% of the respondents find themselves acquainted with the well-known hand cream. 32.3% of the respondents are familiar to Bryllcreem, 18.5% of them with Ambipur, 17.7% of the respondents know about the gas lighters refillers, and 13.8% of the interviewed are familiar to Sharp. Kiwi and Pratico are equally known by 12.3% of the respondents. Only 7.7% of the respondents have heard of Spritex.

2. Limitations

Several limitations took place during the conduction of the survey. First; a large number of people intercepted in different areas refused to fill in questionnaires. The reasons behind these attitudes are quite different, such as: the fact that the questionnaire is written in the English language, the length of the questionnaires (too

many questions, some said!), the disinterest in the subject, the unwillingness to give personal information. No matter how much efforts were engaged to convince them to change their mind, they would not accept to participate.

This led us to target mainly university students. This is obvious if we look at the age category to which most respondents belong: “less than 25 years old”.

Although most of the interviewed were interested in the subject; some of them were indifferent to the topic and left many questions unanswered. This affected somehow the results which once treated by SPSS, “missing values” appeared.

An important obstacle to mention also is the impossibility to make data entry for the questions related with ranking. For a question from the type: “Classify by order of preference the brands mentioned...” it is not possible to include all possibilities or options. In other words, if the number of brands to be classified is seven, there are 7^7 possibilities. Therefore; the best way to deal with this situation was to consider for each brand the percentages of being classified as number one.

The same problem took place with multiple-choice questions that allow different choices or combinations of choices. This is why the work had to be done separately for each option.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The survey conducted gives insightful information about Zetra and its products. The information collected shows that the perception of the respondents toward the company's products defers largely from one brand manufactured by Zetra to another. For instance, approximately 70% of the interviewed are familiar to Clipp whereas 92.3% of the same respondents have no idea about the existence of Spritex. Another example to be considered is the fact that- also according to the survey- Ambipur comes in second place after Air Wick in the air freshener market (the questionnaire including 7 brands of air fresheners), whereas; Bryllcreem shampoo comes in the end of a list including 9 brands of shampoos with only 1.5% of the respondents acknowledging the shampoo. Whereas Ambipur constitutes an important advantage and opportunity to Zetra -especially if we consider the large number of non-users who are potential consumers (43.1%) - Bryllcreem shampoo is seen more as failure. Nevertheless; the two products enjoy one point in common due to the fact that both of them were launched and released on the Lebanese market in year 2003, in addition to Pratico and Kiwi.

Also; Kiwi Household Cleaning products and Bryllcreem gel don't have very good positions in the minds of the consumers although the line of products under the label Kiwi Household (getting only 2.3% of the respondents) is still new on the Lebanese market. On the other hand; Zetra is given the right to manufacture and distribute the shoe polish Kiwi considered as the market leader by a majority of the respondents.

A look at the figures reveals another disparity inside Zetra: 70% of the respondents are aware of the existence of Clipp compared to 85.4% of the same respondents who are not familiar or have no idea about Zetra. Therefore, the Lebanese consumers and potential buyers are not conscious of the link between the manufacturer and the product or the product and its origin.

As mentioned before Zetra is a subcontractor providing products for many Lebanese firms. This might explain why the company is not concentrating its efforts on the Lebanese market through its own products and under labels that belong to it. This lack of concern in the Lebanese market has another reason, which is very obvious if we compare the size of the Gulf market (targeted by Zetra) to the size of the local market.

These points mixed together lead to an important conclusion: Zetra the multi-products firm is a company facing contrasts with well-established brands and weak ones. One thing is for sure: Zetra's management needs to reconsider its current portfolio and take important decisions. In other terms, what is really needed in this case is to "think strategically" for what is doing well now might turn out bad for the long run.

Recommendations

Based on the survey conducted, on the information collected through different sources regarding Zetra and on the conclusions from our research; many suggestions can be presented.

Before dealing with Zetra's products a point should be made concerning the structure of the company. Important attempts should be done in order to improve Zetra's hierarchy and to achieve a good division of work. Moreover, the establishment

of a marketing department is a must for every company seeking to ameliorate its image and position especially with the predominance of the marketing concept in the new marketplace. This would allow the company to move from an entrepreneurial marketing to a formulated marketing.

Also; the management should work according to a pre-established plan (strategy) and make sure to take –if necessary- bold decisions that could contain some level of risks. After all, entrepreneurship is about taking initiatives and seeking innovations. These daring decisions can comprise choices like: the withdrawal and elimination of some brands from the local market, the amelioration of some products when permitted and needed, the elaboration of a promotional plan, the reduction of the line of products, etc. The necessity of such actions is necessary to combat the passive attitude Zetra is adopting in many cases although the company is handling an important portfolio without mentioning the filling contracts and subcontracting that Zetra does for other companies.

In the case of Sharp-and because Zetra is given full authority to enter whatever changes it finds suitable- the product development strategy is proposed. This strategy consists in product modification (e.g. its packaging, color) and the creation of a new product to sell on the existing market. This may be a domestic as well as a foreign market. However; due to the fact that the company has already made modifications in Sharp without getting encouraging results a second alternative would be the product elimination. So; Zetra can choose between two different strategies for the same product. As for the price strategy that Zetra is adopting for Sharp, the low price of Sharp compared to its competitors is pushing the consumers to reject Sharp because they fear that it is a bad quality product. An increase in the price of the product accompanied by some adjustments and some promotions and offers can be justified.

For Spritex, the elimination strategy is more likely to be recommended. The reason behind this suggestion of brand extension is that only 7.7% of the respondents have heard of it. Similar results concerning the performance of Spritex can be found in the survey conducted in year 1998.

The elimination of Bryllcreem the shampoo seems to be a suitable solution for it is not quite appreciated or even known by the public. As a matter of fact, Bryllcreem the shampoo comes in the last position according to the respondents of the survey. Maybe if Zetra emphasizes more on one type of products in the line of hair products such as: Bryllcreem the gel, the outcome can be more satisfactory. Afterward, the company could enlarge the line of product with the “relaunching” of gel or other type of hair products.

Clipp on the other hand has proven to be a strong brand with a high degree of awareness from the part of the respondents since approximately 70% of them assured being familiar with the product. These findings are confirmed by the 1998 survey and by the statistics made by RIZKADV. By being a strong brand, Clipp can be very profitable for the company in general. Zetra can benefit from this well-established brand by trying to associate its other products and brands with Clipp through promotional offers. However; when this idea was suggested to the plant manager, he replied that the management thought of this proposal but was frightened to take the risk of jeopardizing Clipp by connecting it to brands that are not very well-known by the public.⁵¹

A relevant point to mention here is that only 13.8% of the respondents agreed that they had an idea about the existence of Zetra. This might look choking once compared to the percentage of familiarity toward Clipp.

Therefore, it is recommended for Zetra to work on establishing a good positioning for its name in the consumers' minds. This can be achieved at the beginning by associating Clipp to Zetra and revealing the bond between them both. Then gradually; the company could emphasize on one or more of its other products. In other terms, Clipp can be used as a catalyst that triggers the emergence and success of Zetra's other products. Zetra can also sponsor some events to make its name well-known from the public.

Ambipur can be classified as an "in-between" product that has an acceptable and even good position in the market of air fresheners, especially if we consider that it was launched in the year 2003. So, Ambipur can turn out to be a very promising brand. A communication plan needs to be elaborated to increase the popularity of this brand and to attract potential customers because the survey shows that 43.1% of the respondents are non-users of air fresheners.

Since Kiwi is judged number one shoe polish by most of the respondents, Zetra has a good chance- after acquiring the license to manufacture it- to increase its share of the shoe polish market by providing two brands of shoe polish including the leader Kiwi and Pratico. Nevertheless; the company might cannibalize its own products.

As for the line Kiwi Household, it is too early to make an accurate assessment on its popularity even if the survey shows that Kiwi (the household cleaning products) occupies with Mirage the third place after Der General and Ajax. For a line of products that has been recently released on the Lebanese market, the findings of the survey are very encouraging.

Regarding the distribution strategy for all the products manufactured by Zetra, the company needs to ensure an uninterrupted flow of its products and more interest

in establishing good relations with wholesalers, retailers and all the components of the distribution chain. It should reconsider engaging new salesmen to cooperate with the existing ones. That way, the company could inject “new blood” and new ideas to its distribution process while still profiting from the wisdom of experienced salesmen who could become more challenged.

The suggestions concerning the distribution of Zetra emanate largely from the assessments provided by many managers and workers in different and well-known stores.⁵²

As mentioned before, Zetra is applying a market penetration pricing technique which means pricing lower to secure a higher volume of sales. However; the low prices are not guaranteeing high volume of sales. Indeed; the survey shows that for almost all types of products included in the study (air fresheners, shampoos, gel, and shoe polish) the first criterion that makes the respondents prefer a brand to another is “best quality”. This factor is then followed by “best ratio: quality/price”. So what most customers want is good quality and because Zetra’s products obey to international quality standards the company’s emphasis should be oriented toward informing the public on its products and make them familiar to them. This is why a promotional plan is needed and the costs of promotions could be covered by a justified increase in the price of the products. Nevertheless; the raise of the price must be well-monitored to avoid losing the competitive advantage the company has price wise and the cost advantage resulting from achieving economies of scale.

As a result we can say that there should be a clear correlation between the pricing strategy and the promotional one.

After discussing the product strategies, the pricing strategy, and the place or distribution strategy and because Zetra is suffering from not being very well-known from the public, the promotion strategy must be detailed.

Marketing effectiveness depends significantly on communications' effectiveness. The market is activated through information flows. The way a potential buyer perceives the seller's market offering is heavily influenced by the amount and kind of information he or she has about the product offering, and the reaction to that information. The marketing communications mix is made up of a range of conventional advertising media referred to as 'above-the-line' and a range of non-media communication tools referred to as below-the-line techniques.

In the case of Zetra "below-the-line" promotions or non-media advertising can take the form of: package design (only for Sharp because Zetra has the authority to introduce all changes it finds necessary), personal selling by revitalizing the current staff of salesmen, sales promotions that encourage quick action by buyers like by associating some of Zetra's products to Clipp in pre-arranged package, and sponsorship that can cover special events.

The "line promotion" or "word- of- mouth" (WOM) or "buzz" or even "viral marketing" is a marketing tool based on consumer-to-consumer contacts. "When one consumer says something to another, the message is likely to be immediate, personal, credible, and relevant."⁵³ (WOM) can be very useful to Zetra to increase its popularity and that of its products. The company can target "opinion leaders" or carriers of the message" whose advice and suggestions are generally sought before purchasing a product.

Finally, “above-the-line” promotion can also be used in the promotion strategy. It refers to the conventional media tools, which involve ‘renting’ space on television, newspapers, posters, billboards, radio etc.,

Zetra has already used advertising on television and radio for Clipp only. In the future, the company can advertise for other products such as Ambipur. It can also rent some billboards to inform the public of the products Zetra provides.

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APPENDIX I
THE SURVEY QUESTIONNAIRE

This questionnaire was prepared by an MBA student from Notre Dame University NDU, to conduct a market research project in order to elaborate a marketing strategy for a Lebanese company: Zeenni Trading Agencies. The information collected will only be used for academic purpose. Thanks.

1. Age: Less than 25 25-35 35-45 more than 45
2. Gender: Female Male
3. Marital Status: Married Single Divorced Widowed
4. Do you have any idea about Zetra Industries (Zeenni's Trading Agencies)?
 Yes
 No
5. Which of the following items produced by Zetra Industries' are you familiar with?
 AMBIPUR
 KIWI HOUSEHOLD
 BRYLCREEM STYLING PRODUCTS (Gel)
 BRYLCREEM HAIR CREAM (Anti-dandruff, Protein enriched)
 BRYLCREEM SHAMPOO & HAIR TONIC
 PRATICO SHOES POLISH
 CLIPP HAND AND BODY CREAM
 SHARP SHAVING CREAM
 GAS LIGHTERS REFILLERS (Supergaz, First, Win)
 SPRITEX
6. Which of the following items do you buy?
 AMBIPUR
 KIWI HOUSEHOLD
 BRYLCREEM STYLING PRODUCTS (Gel)
 BRYLCREEM HAIR CREAM (Anti-dandruff, Protein enriched)
 BRYLCREEM SHAMPOO & HAIR TONIC
 PRATICO SHOES POLISH
 CLIPP HAND AND BODY CREAM
 SHARP SHAVING CREAM
 GAS LIGHTERS REFILLERS (Supergaz, First, Win)
 SPRITEX
7. Do you prefer Lebanese products to foreign ones?
 Yes
 No
8. In either cases specify why:
 No confidence in Lebanese products
 Better ratio Quality/ Price for Lebanese products
 Better ratio Quality/ Price for foreign products
 Other; specify

9. Monthly family income in LBP:
- Less than 500,000
 - Between 500,000 and 1,000,000
 - Between 1,000,000 and 1,500,000
 - Between 1,500,000 and 2,500,000
 - Between 2,500,000 and 3,500,000
 - More than 3,500,000

Air Fresheners

10. Do you use air fresheners?
- Yes No
 - If your answer is No, please go to question number 14.

11. Which of the following air freshener are you familiar with?
- Air Wick Glade Tesco Oust
 - Ambipur Wella Straight Renzit
 - Other; specify.....

12. Classify by order of preference (1→...) the brands mentioned above:
- | | | | |
|---------|---------|---------|---------|
| 1 | 3 | 5 | 7 |
| 2 | 4 | 6 | |

13. Why do you prefer a brand of air freshener to another?
- Best price Best quality
 - Best ratio: Quality/Price Durability
 - Advertising Accessibility
 - Other; specify

Hair products

14. Which of the following brands of shampoo do you prefer?
- Pantene Bryllcreem Johnson's Baby Shampoo
 - Head and Shoulders Herbal Essence Garnier
 - Palmolive L'Oreal Pert Plus
 - Other; specify.....

15. Classify by order of preference (1→...) the brands mentioned above:
- | | | |
|---------|---------|---------|
| 1 | 4 | 7 |
| 2 | 5..... | 8 |
| 3 | 6 | 9 |

16. On what criteria do you make your choice?
- Best Price Accessibility Best ratio: Quality/Price
 - Best Quality Advertising Promotions
 - Other; specify.....

17. Do you use gel?
- Yes No
 - If your answer is No, please go to question number 21.

18. Which of the following brands of hair styling products do you prefer?

- Satinett Bryllcreem Cosmal Formas
 Taft New Wave (Wella) Nivea VO5
Other; specify

19. Classify by order of preference (1→...) the brands mentioned above:

- 1 3 5 7
2 4 6 8

20. Determine the decisive factors of your preference:

- Best Price Accessibility
 Best Quality Advertising
 Best ratio: Quality/Price Promotions
Other; specify.....

Household cleaning products

21. Mark the brands of detergents that you know:

- Der General Kiwi Mirage
 Mr. Propre Ajax
Other; specify

22. Classify by order of preference (1→...) the brands mentioned above:

- 1 3 5
2 4

23. What are the reasons of your choice of a brand of a cleaning product?

- Best quality Best price
 Best ratio: Quality/Price Appealing package
 Advertising Accessibility
Other; specify

Shoe polish

24. Which of the following brands of shoe polish do you recognize?

- KIWI Silver
 PRATICO Woly
Other; specify

25. Classify by order of preference (1→...) the brands mentioned above:

- 1 3
2 4

26. What are the reasons of your choice of a brand?

- Best quality Best price
 Best ratio: Quality/Price Appealing package
 Advertising Accessibility
Other; specify

Thank you!

APPENDIX IV
SPSS RESULTS

SPSS RESULTS

Table IV.1. Age Distribution

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 25	81	62.3	62.3	62.3
	25-35	29	22.3	22.3	84.6
	35-45	17	13.1	13.1	97.7
	more than 45	3	2.3	2.3	100.0
	Total	130	100.0	100.0	

Table IV.2. Gender Distribution

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	62	47.7	47.7	47.7
	Male	68	52.3	52.3	100.0
	Total	130	100.0	100.0	

Table IV.3. Familiarity to Zetra

Do you have any idea about Zetra Industries (Zeenni's T rading Agencies)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	13.8	13.8	13.8
	No	111	85.4	85.4	99.2
	11.00	1	.8	.8	100.0
	Total	130	100.0	100.0	

Table IV.4. Familiarity to Zetra's products

Which of the following items produced by Zetra Industries are you familiar with?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Ambipur	3	2.3	2.3	2.3
Kiwi Household	1	.8	.8	3.1
Bryllcreem Gel	1	.8	.8	3.8
Pratico Shoe Polish	1	.8	.8	4.6
Clipp	29	22.3	22.3	26.9
Sharp Shaving Cream	2	1.5	1.5	28.5
Gas Lighters	4	3.1	3.1	31.5
Spritex	1	.8	.8	32.3
Combination of products	71	54.6	54.6	86.9
none	17	13.1	13.1	100.0
Total	130	100.0	100.0	

Table IV.5. Buying Zetra's Products

Which of the following items do you buy?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Ambipur	5	3.8	3.8	3.8
Kiwi Household	2	1.5	1.5	5.4
Bryllcreem Gel	2	1.5	1.5	6.9
Pratico Shoe Polish	3	2.3	2.3	9.2
Clipp	34	26.2	26.2	35.4
Sharp Shaving Cream	4	3.1	3.1	38.5
Gas Lighters	5	3.8	3.8	42.3
Spritex	1	.8	.8	43.1
Combination of products	39	30.0	30.0	73.1
none	35	26.9	26.9	100.0
Total	130	100.0	100.0	

Table IV.6. Patriotism

Do you prefer Lebanese products to foreign ones?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	71	54.6	54.6	54.6
No	59	45.4	45.4	100.0
Total	130	100.0	100.0	

Table IV.7. Specify why

In either cases specify why:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No confidence in Lebanese products	36	27.7	27.7	27.7
	Better ratio Quality/Price for lebanese products	37	28.5	28.5	56.2
	Better ratio Quality/Price for foreign products	18	13.8	13.8	70.0
	Other; specify....	39	30.0	30.0	100.0
	Total	130	100.0	100.0	

Table IV.8. Family Income Distribution

Monthly family income in LBP

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less tan 500,000	5	3.8	3.8	3.8
	Between 500,000 and 1,000,000	12	9.2	9.2	13.1
	Between 1,000,000 and 1,500,000	18	13.8	13.8	26.9
	Between 1,500,000 and 2,500,000	29	22.3	22.3	49.2
	Between 2,500,000 and 3,500,000	24	18.5	18.5	67.7
	More than 3,500,000	42	32.3	32.3	100.0
	Total	130	100.0	100.0	

Table IV.9. Air Fresheners' Users and Non-Users

Do you use air fresheners?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	74	56.9	56.9	56.9
	No	56	43.1	43.1	100.0
	Total	130	100.0	100.0	

Table IV.10. Number One Air Freshener

Do you find that Air Wick is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	44	33.8	33.8	33.8
no	29	22.3	22.3	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Do you find that Ambipur is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	14	10.8	10.8	10.8
no	59	45.4	45.4	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Do you find that Glade is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	6	4.6	4.6	4.6
no	67	51.5	51.5	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Do you find that Wella Straight is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	8	6.2	6.2	6.2
no	65	50.0	50.0	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Do you find that Tesco is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	1	.8	.8	.8
no	72	55.4	55.4	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Do you find that Renzit is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	73	56.2	56.2	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Do you find that Oust is number one in terms of air fresheners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	73	56.2	56.2	56.2
NA	57	43.8	43.8	100.0
Total	130	100.0	100.0	

Table IV.11. Criteria for Air Fresheners

Why do you prefer a brand of air freshener to another?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Best price	4	3.1	5.5	5.5
Best ratio: Quality/Price	20	15.4	27.4	32.9
Advertising	3	2.3	4.1	37.0
Best quality	22	16.9	30.1	67.1
Durability	15	11.5	20.5	87.7
Accessibility	8	6.2	11.0	98.6
Other; specify...	1	.8	1.4	100.0
Total	73	56.2	100.0	
Missing System	57	43.8		
Total	130	100.0		

Table IV.12. Shampoo Preferences

Which of the following brands of shampoo do you prefer?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pantene	17	13.1	13.1	13.1
	Head and Shoulders	15	11.5	11.5	24.6
	Palmolive	16	12.3	12.3	36.9
	Bryllcreem	2	1.5	1.5	38.5
	Herbal Essence	29	22.3	22.3	60.8
	L'Oreal	16	12.3	12.3	73.1
	Johnson's Baby Shampoo	12	9.2	9.2	82.3
	Garnier	17	13.1	13.1	95.4
	Pert Plus	3	2.3	2.3	97.7
	Other; specify...	3	2.3	2.3	100.0
	Total	130	100.0	100.0	

Table IV.13. Criteria for Shampoos

On what criteria do you make your choice?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best Price	6	4.6	4.6	4.6
	Best Quality	72	55.4	55.4	60.0
	Accessibility	3	2.3	2.3	62.3
	Advertising	11	8.5	8.5	70.8
	Best ratio: Quality/Price	32	24.6	24.6	95.4
	Promotions	3	2.3	2.3	97.7
	Other; specify...	3	2.3	2.3	100.0
	Total	130	100.0	100.0	

Table IV.14. Gel Users and Non-Users

Do you use gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	68	52.3	52.3	52.3
	No	62	47.7	47.7	100.0
	Total	130	100.0	100.0	

Table IV.15. Number One Gel

Do you find that Satinett is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	30	23.1	23.1	23.1
	no	41	31.5	31.5	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that Taft is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	8	6.2	6.2	6.2
	no	63	48.5	48.5	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that Bryllcreem is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	4	3.1	3.1	3.1
	no	67	51.5	51.5	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that New wave is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	12	9.2	9.2	9.2
	no	59	45.4	45.4	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that Cosmal is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	3	2.3	2.3	2.3
	no	68	52.3	52.3	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that Nivea is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	7	5.4	5.4	5.4
	no	64	49.2	49.2	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that Formas is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	71	54.6	54.6	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you find that VO5 is number one gel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	3	2.3	2.3	2.3
	no	68	52.3	52.3	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Do you prefer other brands of gel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	4	3.1	3.1	3.1
	no	67	51.5	51.5	54.6
	NA	59	45.4	45.4	100.0
	Total	130	100.0	100.0	

Table IV.16. Criteria for Gel

Determine the decisive factors of your preference:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best Price	6	4.6	8.5	8.5
	Best Quality	30	23.1	42.3	50.7
	Best ratio: Quality/Price	24	18.5	33.8	84.5
	Accessibility	5	3.8	7.0	91.5
	Advertising	4	3.1	5.6	97.2
	Promotions	1	.8	1.4	98.6
	Other; specify...	1	.8	1.4	100.0
	Total	71	54.6	100.0	
Missing	System	59	45.4		
Total		130	100.0		

Table IV.17. Number One Detergent

Do you find that Der General is number one detergent?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	100	76.9	76.9	76.9
	2	30	23.1	23.1	100.0
	Total	130	100.0	100.0	

Do you find that Mr. Propre is number one detergent?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	1.5	1.5	1.5
	2	128	98.5	98.5	100.0
	Total	130	100.0	100.0	

Do you find that Kiwi is number one detergent?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	2.3	2.3	2.3
	2	127	97.7	97.7	100.0
	Total	130	100.0	100.0	

Do you find that Ajax is number one detergent?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	28	21.5	21.5	21.5
	2	102	78.5	78.5	100.0
	Total	130	100.0	100.0	

Do you find that Mirage is number one detergent?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	2.3	2.3	2.3
	2	127	97.7	97.7	100.0
	Total	130	100.0	100.0	

Table IV.18. Criteria for Detergents

What are the reasons of your choice of a brand?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best Quality	49	37.7	38.9	38.9
	Best ratio: Quality/Price	53	40.8	42.1	81.0
	Advertising	5	3.8	4.0	84.9
	Best Price	3	2.3	2.4	87.3
	Appealing Package	6	4.6	4.8	92.1
	Accessibility	5	3.8	4.0	96.0
	Other; specify...	5	3.8	4.0	100.0
	Total	126	96.9	100.0	
Missing	System	4	3.1		
Total		130	100.0		

Table IV.19. Number One Shoe Polish

Do you find that Kiwi is number one shoe polish?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	81	62.3	71.7	71.7
	2	32	24.6	28.3	100.0
	Total	113	86.9	100.0	
Missing	System	17	13.1		
Total		130	100.0		

Do you find that Pratico is number one shoe polish?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	13	10.0	11.5	11.5
	2	100	76.9	88.5	100.0
	Total	113	86.9	100.0	
Missing	System	17	13.1		
Total		130	100.0		

Do you find that Silver is number one shoe polish?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	11.5	13.3	13.3
	2	98	75.4	86.7	100.0
	Total	113	86.9	100.0	
Missing	System	17	13.1		
Total		130	100.0		

Do you find that Woly is number one shoe polish?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	4.6	5.3	5.3
	2	107	82.3	94.7	100.0
	Total	113	86.9	100.0	
Missing	System	17	13.1		
Total		130	100.0		

Table IV.20. Criteria for Shoe Polish

What are the reasons of your choice of a brand?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best Quality	50	38.5	44.6	44.6
	Best ratio: Quality/Price	40	30.8	35.7	80.4
	Advertising	4	3.1	3.6	83.9
	Best Price	2	1.5	1.8	85.7
	Appealing Package	2	1.5	1.8	87.5
	Accessibility	11	8.5	9.8	97.3
	Other; specify...	3	2.3	2.7	100.0
	Total	112	86.2	100.0	
Missing	System	18	13.8		
Total		130	100.0		

APPENDIX III
QUALITY POLICY

APPENDIX IV
ENVIRONMENTAL POLICY