Creating Customer Value from Strategic Positioning Stand-Point Case Study : Henkel Algeria in the Household Industry

Pr. LALAOUI Amor
Ecole supérieure de commerce d'Alger
BOUKERCH Yahia
Ecole supérieure de commerce d'Alger

Abstract:

Perceived value is a substantial determinant of most purchase decisions. Value, however, can be created by several means in which they differ in its magnitude for both customers (perceived value), and the firm (profitability). This article focuses only on one approach in creating value which is strategic positioning. Perceived value is discussed using the means-end chain model and assessed through conjoint analysis. Moreover, benefit segmentation was employed to prevent the majority fallacy. The Henkel Algeria company in the household care industry was taken as an example to illustrate the importance of the cause (strategic positioning) and the effect (customer value) and their impact on the firm.

Key words: strategic positioning, perceived value, means-end chain, benefit segmentation, conjoint analysis.

الملخص:

القيمة المدركة للزبون هي من أهم محددات قرار الشراء. يمكن خلق القيمة من عدة طرق اذ تختلف في كمية القيمة المسلمة للزبون (القيمة المدركة) و القيمة المسلمة للمؤسسة (الربحية). في ورقتنا هذه نركز علي القيمة المنتجة

عن طريق التموقع الاستراتيجي التنافسي ومنه نتعرض لمناقشة القيمة المدركة عن طريق سلسلة النهايات و سيتم تقديرها عن طريق التحليل الموحد (المشترك) وذلك ه بعد تقسيم السوق عن طريق الفوائد لتفادي مشكل التعميم. شركة هنكل الجزائر في صناعة المنظفات أخذت كمثال لتوضيح أهمية كلا من التموقع الاستراتيجي التنافسي و القيمة المدركة و تاثيرهما على المؤسسة.

المصطلحات الأساسية: التموقع الاستراتيجي التنافسي، القيمة المدركة، سلسلة النهايات، التقسيم عن طريق الفوائد، الدراسة الموحدة (المشتركة).

Firms usually fall in the pitfall of building their strategies on effects instead of causes; for example, gaining the highest market share in their industry. However, a firm does not have a specific strategy to achieve this fine objective(s). A strategy should be based on the firm's uniqueness and distinctive abilities that allow a firm to reach its objectives. This uniqueness should result in a value that will lockout customers from switching and competitors from imitating these differences. The article is in the aim of discussing both strategy[1] and one of its outcomes which is value.

The article is guided by the following problematic - *What are the Impacts of Creating Customer Value from Strategic Positioning Stand-Point on a Competitive Environment?*-. The household care industry was chosen to be the industry of interest in which dishwashing soap was the product to focus on and Henkel Algeria was the case study.

Three hypotheses were proposed to answer the precedent problematic:

---

[1] Strategy throughout the article is used from The positioning School perspective according to Henry Mintzberg , Joseph Lampel and Bruce Ahlstrand (1998). categorization of strategy in *Strategy Safari*, New York: The Free Press.

- **H1:** Henkel's Algeria products are the most preferred in the dishwashing liquid market.
- **H2:** Henkel's Algeria products are well-differentiated in the dishwashing liquid market.
- **H3:** Henkel's Algeria products deliver the greatest value in the dishwashing liquid market.

The article is organized in three sections – competitive strategy, customer perceived value and the empirical research -. The first section demonstrates how can a firm establish a strategic positioning, strengthen it and preserve it. The second section, explains how perception is created and customers perceive value and finally how to assess perception of value. The third section embodies several analyses to test the hypotheses presented above.

1. Competitive Strategy:

Activities and customer are the building blocks of any firm existence. To continue existing it must compete. To be profitable it must have a sustainable advantage over its competitors and most importantly an advantage that is valued by customers. Hence, unless a firm configures its activities to deliver a unique value to its customers, it will not succeed. Whether a firm is in a monopoly or oligopoly situation it must compete to keep and direct the profitability toward itself. Therefore, competition is inevitable in every industry. This led firms to concentrate their focus on their activities.

Emphasizing on their activities, firms may well fall into the pitfall of performing these activities *better* instead of *different* than rivals. Better implies *"sameness"* whereas different implies *"uniqueness"*. Sameness is derived from firms' imitation to one another and uniqueness because firms find different ways of competing and continuously seeking to distinguish themselves from rivals. Besides, sameness ultimately leads to price warfare which in turn a zero-sum competition; whereas, uniqueness leads to a profitable

industry as whole where every one might be a winner. To be unique a firm must distinguish itself from rivals through possessing a strategic positioning that coordinates its activities to deliver a unique value to those customers a firm desires to serve (Porte 1996).

1.1 The Three Generic Competitive Strategies:

Based on a firm's industry structure and its capabilities it has three strategic alternatives to distinguishes itself from rivals. These alternatives are the three generic competitive strategies -overall cost leadership, differentiation and focus- (Porter 1980).

The pivotal determinates of profitable and sustainable competitive position are, (1) industry structure and (2) competitive position that was implemented by one the three generic strategies (Porter 2001). Understanding industry structure that is shaped by the five competitive forces - the threat of new entrants, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the intensity and the basis of rivalry among existing competitors - allows a firm to determine which force or forces are driving away the profitability and what is the most appropriate competitive strategy to cope with these forces and ultimately shape them in its favor.

Selecting a generic strategy allows a firm to differentiate itself. In order to do so, there are prerequisite conditions based on the strategic advantage a firm seeks to possess and the strategic target it seeks to serve. The strategic advantage can be attained by delivering a differentiated product (differentiation) that is perceived by non-price sensitive customers as unique and offer a premium to acquire it; e.g. Gillette disposal razor. Or delivering a low cost product (overall cost leadership) which is appealing to price sensitive customers; e.g. Bic disposable razor. These two competitive strategies are implemented industry-wide (broad strategic target).

Likewise, they can be implemented on a particular narrower segment with distinct costs behavior and distinct needs; which results in the final competitive strategy, focus; e.g. disposable razors for women with sensitive skin. A firm can satisfy this segment only if it serves it better than the industry-wide competitor. For the firm to leverage from a competitive position it must choose to implement only one generic competitive strategy, otherwise it will be stuck in the middle (Porter 1980). Implementing one of these generic strategies allows a firm to establish a broad competitive position.

1.2 Contrastive Analysis between Operational Efficiency and Strategic Positioning:

Strategic positioning is defined: *"... performing different activities from rivals, or performing similar activities in different ways."*(Porter 1996) Performing different activities is not synonymous to performing them better. Therefore, a firm should avoid competing to be the best and seeking to be unique. The word *best* is a superlative in English and *being the best* is not a complete sentence. A deletion has occurred and in order to complete the sentence, the following question must be asked: the best with respect to what specifically? (Bandler and Grinder 1975).

Firms think that their job is to be the best; and to be the best a firm must have the best supply chain, the best product, the best sales force and so forth. Hence, in order to be the best a firm thinks it must be the best in all those dimensions besides others. This way of thinking is dangerous and deceit because there is no best company in any industry. For example, what is the best airline company? The best airline to serve frequent traveler, it is not the best airline to serve a family with a middle income going for a trip and it is not the best airline to serve a customer whose main criterion is luxury. Therefore, it all depends on who is the customer or what is the need to be served? It is impossible to be all things to all customers. Being the best implies efficiency, and efficiency implies low cost; and

if every firm seeks to have a low cost product; this way of thinking leads to price warfare and zero-sum competition. Thus the starting point is not how to be the best, instead, is how the firm can deliver unique value that satisfy the need of its customers (Porter 2012). The starting point is indeed to be unique; however, the firm must back up its strategy with operational effectiveness. Operational effectiveness completes a good strategy (Hargroves and Smith 2005).

1.3 The Principles of Strategic Positioning:

In his article "what is strategy?" 1996 Michael E. Porter demonstrated three principles underlying strategic positioning - creating a value position, making trade-offs and creating fit – (Porter, 1996).
 First, a valuable position can be created broadly through the preceding generic competitive strategies. This broad position, however, can be more specific by employing the bases of strategic positioning - variety-based positioning, needs-based positioning and access-based positioning -. The bases of strategic positioning can be applied separately or altogether. When applying the variety-based positioning, the firm seeks to serve few or one need to many customers. For example, The Ultra Downy Free and Sensitive Liquid by Procter & Gamble serves only one need of women whom want their babies' clothes to be softer and therefore do not harm their delicate skin. These women use the fabric softener in addition to other products for other needs. Needs-based positioning focuses on serving several or all the needs of few customers. The mobile notebook computer designed to meet the needs of teachers and students who use the product for reading, writing, presenting and for its low price and its light weight to carry on every day basis. In comparing variety-based positioning and needs-based positioning; the former is applied broadly and follow the notion of mass marketing; whereas, the latter is applied on segments who value the dedicated attention that is translated into valuable product that serves

their needs. The final basis is access-based positioning; this positioning is also applied on segments but approaching them is different. For example, women who have sensitive skin to dishwashing soap and use gloves to do the dishes or avoid doing them at all are accessed by Dawn Hand Renewal dishwashing soap. Dawn Hand Renewal allows these women to do the dishes while making their hands even softer in just five uses. Dawn is still a dishwashing soap but it differs from others in how to access the needs of these customers. The competitive position created through these bases is unique and different of those of rivals because the set of activities differ. The main criterion in possessing a valuable position is *uniqueness*. Philip kotler said it distinctly: *"Firms do not win through better sameness, firms win through uniqueness"* (Kotler 2003).

The second principle of strategic positioning is trade-offs. Trade-offs occur in making choices between what to do and what not to do; *"it is rarely a choice between right and wrong. It is at best a choice between 'almost right' and 'probably wrong"* (Drucker 2002). When a firm defines its business it must make a trade-offs; which business should a firm be in, which business should a firm not to be in? Which customer should a firm serve (Bishop 1999)? Theodore Levitt argued in his article "Marketing Myopia" that a firm should not define its business too narrowly and a firm must exploit opportunities in related industries (Levitt 1960). Michael E. Porter 2008 in "The Five Forces that shape Strategy" argued that a firm must not define its business too broadly nor too narrowly. Define a business too broadly eliminates the possibility to possess a competitive advantage through differences in products and serving different customers. While, define a business too narrowly neglects interrelationships among related products, which is also one of the main criteria in owning a sustainable competitive advantage. When a firm makes trade-offs in strategic positioning, it has two major decisions to make. Which strategic position (strategic advantage) to occupy and which target to serve (target scope). If a firm wishes to

serve a broad target, it can make a trade-off between overall cost leadership and differentiation; and if it wishes to serve a narrower target, it can make trade-off between focus-cost and focus-differentiation depending on the needs of the target segment.

Trade-offs are unbelievably a burden because it turns down businesses and let go customers; consequently, what should a firm do to occupy other positions? A firm can configure different set of activities to serve different customers. This is the case of corporations with multiple business units. Since competition is dealt with at the business unit level (Porter 1987); each one's major responsibility is to create a competitive advantage that differentiates it from other business units and other competitors and each is designed to serve a particular target that cannot be served by an already existed business unit. For example Procter and Gamble introduced Tide powder detergent in U.S. and Ariel powder detergent in other countries such North Africa; these two products are produced and marketed by separate business units. The corporate task is then to devise strategic interrelationships among these business units.

The third and the last principle is creating fit among a firm's activities. Focusing on being the best leads firms to forget that success depends on all the activities rather than a firm's main competence. Fit refers to align the firm's activities and make them interdependent to each others and create complementarities right across to form a system. Align the activities in such a way allows them to congruently pursue the same strategy which make it easier to implement. *"Activities are Edge worth complements if doing (more of) any one of them increases the returns to doing (more of) the others"* (Milgrom and Roberts 1995). The definition demonstrates only the rewards of fit; but a system takes only one orientation and therefore once it sets direction it will continue toward it whether upward or downward (Milgrom and Roberts 1995). The interdependence and congruence of activities drive them toward the same strategy.

Making trade-offs and creating fit are extremely hard but the re-wards are gigantic. Making trade-offs narrows a firm's operation scope which yields a competitive advantage; whereas, creating fit leads to sustainability. Therefore the result is a sustainable competi-tive advantage or simply stated above-average profitability for long time horizon.

The Lincoln Electric Company is an example of both trade-offs and fit. Lincoln may well celebrate its 119[th]year of existence. Lin-coln Electric (Fast 1983) chose to offer quality products (arc weld-ing equipments) with low prices (overall cost leadership). Making this trade-off helped the company to establish itself as the cost leader which led to the withdrawal of several companies, among them was General Electric.

Figure 1: Lincoln's Electric Company Activity System
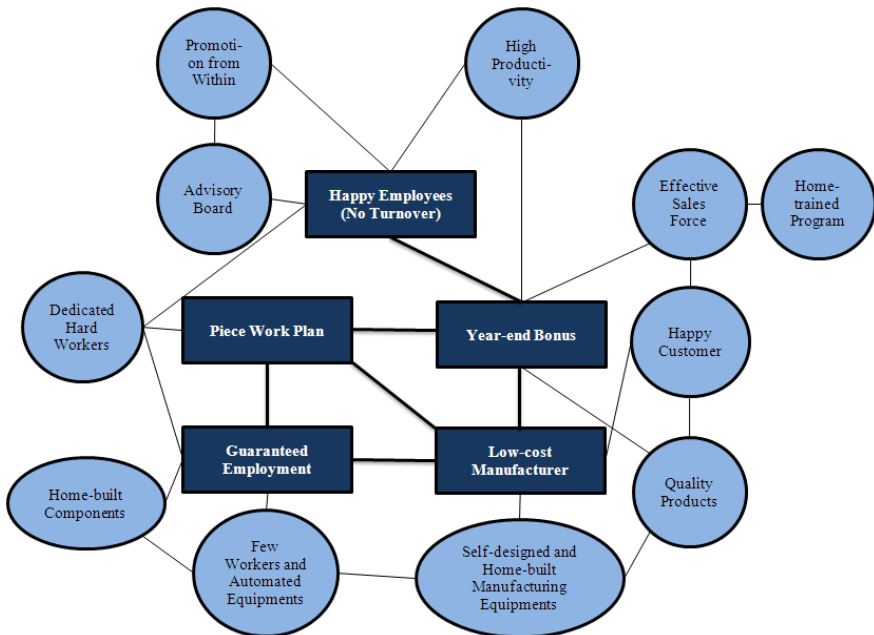
Source: Personal Efforts

After making trade-off between low cost and differentiation Lincoln Electric started to coordinate its activities to implement this strategy. Lincoln Electric applied the incentive management philosophy as its course to implement the strategy. The incentive activity-system is composed of three components - wages based on piecework output, a year-end bonus and guaranteed employment -. Rewarding employees on piecework leads them to shift focus on generating outputs and disregarding quality. Lincoln Electric counters this issue by imposing employees to put their own stencil on each machine they worked on, so they can repair it in case of defection on their own free time. Guaranteed employment is offered to employees to avoid turnovers and strikes. In recession periods the company divides its employees into two groups; one group stays on their initial jobs and the other group is assigned to build components. In upturn periods all employees go back to their initial jobs and the company purchases the components from its suppliers. Turnovers are low also due to promotion policy; promotions all filled from within. All employees are management and they treated equally; besides Lincoln's Advisory Board meeting are held twice a month to solve the company's entire issues. Lincoln Electric's sales force is home-trained to insure great product knowledge and involvement and they are offered a year-end bonus based on sales rate. To maintain its strategy Lincoln Electric builds its own manufacturing equipments and modified the purchased ones to be more efficient. Lincoln Electric's activity system strengthens and deepens the company's competitive position because all the activities are configured to make the company the low cost manufacturer. Figure 1 illustrates how Lincoln Electric's activities are interrelated to form an activity system.

2. Customer Value

Customers have become more informed, talented in comparing products, more conscious in their purchasing and less impulse.

Therefore, perception of value becomes the main trigger of purchasing decision.

The value concept is used quite often in a company; there is customer value, the value of customer and the company value. The latter two concepts represent value from a company perspective. The value of a customer or customer life-time value means how much does a customer worth to a company. The value of a company refers to how much does a company worth to its shareholders. The former concept point out to value from a customer perspective.[1]

In pursuing customer value, companies are clustered into two categories, market-driven and market-driven. The clustering depends on which market-orientation these companies follow.

2.1 Contrastive Analysis:

A market-driven company as the term indicates is driven by its market. A company in this orientation operates in an already defined market structure and reacts to this structure (Bernard, Kohli and Sahay 2000); that is, uncovering and understanding customers' needs and satisfies or delights them based on the scope of its understanding to those needs. Market-driven company is known for its reliance on market research and the innovation in such a company tends to be increment. That is, additional features based on customers' preferences.

Societies are becoming no-need societies and since most companies have a need sensor, each opportunity is depleted quickly because each company plunges in. Therefore, is it wise to only be reactive?

---

[1] Value throughout out the article is sued from a customer perspective. Often refers to customer perception of value (customer perceived value).

Rather than being driven by a market, there are particular companies that drive a market instead. Market-driving company does not wait for a need appearance. *Akio Morita*, the co-founder of Sony said it perfectly *"we do not serve markets, we create markets"*. Sony does not rely a lot on market research. It creates an extraordinary product, then educates its customers how to use it and then, these customers become addicted to the product or fans to the brand. Or as Philip Kotler put it *"seed, feed, and weed"*.Customers do not know they want the product until they are taught to. Customers may not ask for a product but these companies astonish them. These products create the "*WOW effect"* and excite people (Johnson and Weinstein 2005; Slywotzky and Weber 2011). Market-driving company redefines and reshapes the market structure for its own favor because these companies are usually new entrants e.g. iTunes music store by Apple. Such companies are risk takers because the product is derived from radical innovation. Innovation in this sense has two dimensions; first, *value proposition* which constitutes in the product or service being offered to customers. The second dimension is *business system* or as was referred to earlier as activity-system. A radical innovation that results in a superior product yields a leap in customer value, and a radical innovation that results in business system leads to sustainability. Business system is considered a radical innovation because it is a marketing breakthrough not technological one (Nirmalaya, Scheer and Kotler 2000).

2.2 Customer Perceived Value:

Customer value from a customer perspective is perceived, subjective, intangible, and cannot be accurately measured. It is widely agreeable that perception is a process (Berelson and Steiner 1964); a series of steps start by an exposure to the environment in which a consumer attends (selects) which information to keep and which to ignore, then creates a knowledge structure or an associative net-

work (organizes) of those information that will be used to comprehend or infer (makes sense) new situations based the already created structure. Perception varies from an individual to another; each one creates a different map of the world.

Based on the five senses -visual, auditory, kinesthetic, olfactory and gustatory-, that are exposed to the environment; a consumer unleashes two types or responses, affective and cognitive responses. Affect is the physical state of the consumer; responses generated by the affective system are felt within the body e.g. smiling when seeing humorous British advertising campaign. There are four levels of affective responses based on their intensity on the body. These levels are emotions, feelings, moods and attitudes (evaluation). These responses are often generated unconsciously (love, happiness, boredom, like…). Cognition, in contrast, is the mental state that is generated by the cognitive system. Cognition means thinking, e.g. a consumer may think that a particular product will help socializing. After the exposure, the consumer unconsciously interprets (attends and comprehends) immense amount of information; the interpretation creates new *knowledge, beliefs and meanings* (accretion process) which are stored in memory. This process happens every day and new knowledge is created accordingly and since consumer's memory storage capacity is limited, the new knowledge is combined and integrated (tuning process) with other meanings besides other affective responses to create an overall meaning or a knowledge structure (associative network) (Paul and Olson 2010).

Product knowledge is stored in memory at three levels of abstraction linked together with a chain called the *means-end chin*. Consumers think (cognition) about a product attributes as *means to an end* to a higher level abstraction which is self-relevant to each consumer. These levels are hierarchically related from less abstraction level (product attributes) to a high level of abstraction (consequences and values). As it was illustrated by Reynolds and Olson 2001.

Figure 2: The Means-End Chain Model

Attributes → Functional Consequences → Psychosocial Conse-
quences → Values or Goals

Source: Reynolds Thomas J. and Jerry C.Olson, 2001

Products, simple and complex alike are composed of several at-
tributes. However, consumers do not purchase attributes per se,
they purchase benefits or consequences. There are functional and
psychosocial consequences. On one hand, functional consequences
are experienced right after consuming a product. For example,
toothpaste with the right amount of abrasives abrades and removes
plaque and stains which makes teeth whiter and brighter. Psycho-
social consequences, on the other hand are experiences after the
functional consequences made effect. Psychosocial are both psy-
chological (e.g. I feel that I have a nice smile because my teeth are
whiter and brighter) and social consequences (e.g. others will like
my smile which helps me socially). The attribute (abrasives), func-
tional and psychosocial consequences lead to even a high level ab-
straction (personal and emotional) which is values or goals (e.g.
this toothpaste makes me happy). Therefore attributes are linked to
functional and psychosocial consequences which are linked to val-
ues (Reynolds and Olson 2001).

Value is defined: *"the consumer's overall assessment of the utility
of a product based on perceptions of what is received and what is
given"* (Zeithaml 1988). Therefore, unless make sacrifices (given
components) consumers will not experience the product benefits or
consequences (received components). Sacrifices include monetary
and non-monetary cost. Monetary cost is what a consumer has to
sacrifice to acquire a product (Ahtola 1984). The perception of the
objective price (monetary price) of a particular product on price
tags is perceived differently across consumers. This is due to the

source and the amount of income. For example, the income of a manager versus the janitor who cleans his office, and, an income obtained from working in construction versus thievery. Non-monetary price includes time, efforts (behavioral efforts) and psychic costs (cognitive activities). Time, efforts and psychic cots are counted as price when consumers are time-conscious or start being conscious about the amount of time spent on, and the actual physical and mental efforts required to find, acquire, consume and dispose of the product. Nevertheless, these costs are not relevant to all consumers (Zeithaml 1988; Paul and Olson 2010). Price sensitive consumers are willing to travel to another city, spend hours in surfing the internet for the best bargain, spend several minutes in checkout counters, deliver and resemble the product for themselves to reduce the monetary price e.g. IKEA's customers. Non-price sensitive consumers are willing to make their purchases virtually, delivered to them and may be disposed for them by paying a premium to reduce the other costs e.g. Peapod the virtual supermarket.

The get components or consequences are the components of the means-end chain except the attribute price. Attributes are found in two types intrinsic and extrinsic (Olson and Jacoby 1972). The intrinsic attributes are the physical characteristics of a product e.g. color of a pen size of TV screen and number of cylinders in a car; therefore, they cannot be changed unless the product changes. The extrinsic attributes, in contrast, are intangible and product-related e.g. price and brand name and they can be changed without changing the physical characteristics of a product. However, consumers do not evaluate all the attributes to make a decision. Rather, they evaluate only the self-relevant ones; that is, evaluating the attributes that are related the desired outcome. If the attributes (intrinsic and extrinsic) fulfill the intended outcome, thus, these attributes have value for customers. Furthermore, if these attributes fulfill the high level abstraction outcome on the means-end chain (values)which is highly personal and emotional, the attributes will have

greater value for consumers regardless the sacrifices (Zeithaml 1988).

The means-end chain is appropriate in determining value perception in pre-purchase and post-purchase situations. Consumers use self-relevant attributes to perceive value in pre-purchase situations and use consequences (functional and psychosocial) and value in post-purchase situations. For example, a consumer needs a watch to stay on schedule and the salient attributes are brand, accuracy and price; if the selected watch e.g. Timex delivered the desired outcome it will have value for the consumer. Another consumer may want a watch for other benefits, luxury and social purposes for example. Timex may not have value for this consumer; a Rolex may because it is more appealing and people may appreciate his choice. The Rolex will not have value for the first consumer because the sacrifices surpass the benefits and he is better off without it; besides, if people appreciate his choice the Timex will have more value for this consumer because it had met other consequences (social) not even considered. Therefore, high level abstraction consequences (benefits) add and contribute to value.

Based on the above example (watch); consequences or benefits determine consumers' choices and it is desirable to segment consumers based on the benefits (Haley 1968) they seek from a product. Suppose a segment generated through benefit segmentation and a product was delivered to this segment based on the sough benefits and the costs for making this product are relatively low because no additional unwanted benefits or attributes are added to the product. This product will be perceived highly valuable for consumers because it is benefits-specific and the sacrifices are outperformed by benefits. To deliver a greater value companies must deliver the desired benefits and reducing the required sacrifices to experience those benefits (Dodds and Monroe 1985; Kotler and Keller 2006; Monroe 1990).

The benefits or experiences that a product will offer are known to customers by the value proposition a company promises to deliver. "*Value proposition is a decision and commitment to deliver a specific combination of resulting experiences, including a price, to a group of targeted customers, profitably and better than competition.*" (Lanning 2000) Value proposition is the answer to the following series of questions, which product or benefits, to which customer, to which needs at what price and how it is distinguished from competitors' offerings. Southwest Airlines for example, promises to takeoff on time, arrive on time, no meals, no movies and at the lowest price. To business travelers, families and students who are price sensitive. Southwest Airlines' competitors are not other airline companies; rather the other ways of transportation, trains, buses and cars. That is, low cost fares and the activities involved to implement that are what distinguish Southwest Airlines from other airlines.

Value proposition is broader than brand positioning (Kotler and Keller 2006). Brand positioning is what distinguishes a company's brand from competitors'. Brand positioning is what a company does to the mind of its targets in order for them to consider its offering (Ries and Trout 2000).

Value proposition is communicated to the target segment in three ways, all benefits, favorable points-of-difference and resonating focus (Anderson, Narus, and Rossum 2006). First, all benefits. All benefits answers only one question and broadly which is "which benefits". Consumers do not need all the benefits a product may offer; instead, only those benefits that are perceived to have value for them. Communicating value proposition by all benefits indicates negligence to both customers and competitors. Overlooking customers because promising benefits a customer does not need and overlooking competitors by not distinguishing a company's offer by promising to provide points-of-parity. How distinguishable will a company that offer a car that runs, has an air-conditioning

system, heater, and the entire basic attributes that must exist in a car. Second, favorable point-of-difference also answers only one question which is "what distinguishes a company's offer". However, do these points-of-difference provide a unique value or a desired outcome to consumers? It all depends on the consistency or relevance between the desired outcome and the point-of-difference; therefore, focusing only on point-of-differences overlooks consumers. Third, resonating focus, focuses on designing a product that is superior on one or two dimensions that are highly valuable to the target segment and include point-of-parity. Making the product superior and different on one or two dimensions that will deliver a greater value insures uniqueness; and point-of-parity places the product among consumers' consideration set. Therefore, resonating focus is the most appropriate way to communicate a company's value proposition.

2.3 Assessing Customer Perceived Value:

The most thorough and reliable approach to understand customer perception of value is the mean-end approach; this latter is based on laddering technique (in-depth interview) that uncovers the different level of abstraction in the means-end chain. The means-end approach identifies two issues, what are the choice criteria and why are these criteria important (Olson and Reynolds 2001).

Table 1: Example of a Laddering Technique

Consumer: cushioning in a running shoe is the salient attribute for me (Intrinsic attribute).
Researcher: why cushioning is important to you?
Consumer: I can run smoothly and comfortably (functional consequences).
Researcher: why it is important for you to run smoothly and comfortably?
Consumer: to enjoy my run (psychosocial consequences).
Researcher: what does enjoying the run lead to?
Consumer: I run more often (psychosocial consequences).
Researcher: why is it important to run more often?
Consumer: to be physically fit (value).
Researcher: what does being physically fit lead to?
Consumer: live longer (value). The end.

Source: Personal efforts

Though, there is an alternate approach to assess customer perceived value; it is not as inclusive as the means-end approach, yet it can assess customer perception at the attribute level. This approach is conjoint analysis coupled with expectancy-value model. Conjoint analysis is supported by the assumption of linkages in the means-end chain, therefore, makes it a reliable alternative.

There are six steps in conducting conjoint analysis, formulate the problem, construct the stimuli, the form of input data, select a conjoint procedure, interpret the result and assess reliability and validity (Malhotra and Birks 2007).

First, in formulating the problem the researcher needs to elicit the salient attributes and their level accordingly.[1]The attribute screen size in a laptop has several levels 11.6", 15.6" and 17.3" for example. The researcher's task in this step is to reduce the number of the attributes and their levels to a manageable size. Second, in constructing the stimuli there are two main procedures, two factors-at-a-time procedure, and the full profile procedure (Green and Srinivasan 1978). The two factors-at-a-time procedure also referred to as pair-wise and trade-off approach. In this approach respondents are presented with two attributes at a time each with its levels accordingly in a matrix.

Respondents are required to *rank* or *rate* the pairs of the levels of the two attributes based on their preference (Johnson 1972). For example, the attributes brand and processor in a computer may be presented in table 2. This respondent prefers an Apple computer with the highest performance (Intel Core i7) available. In the second choice, the respondent trades-off performance (Intel Core i7) for the brand (Sony). For the third choice this person trades-off brand (Apple) for performance (Intel Core i5). It seems that this respondent would buy an Apple or Sony at any performance; rather than buying a Dell computer.

Table 2: Processor versus Screen size

Processor	Brand		
	Sony	Dell	Apple
Intel Core i3	6	9	5
Intel Core i5	4	8	3
Intel Core i7	2	7	1

Source: Personal efforts

---

[1] For more discussion on determining the salient attributes see: Alpert Mark I. (1971), "Identification of Determinant Attributes: A Comparison of Methods*," Journal of Marketing Research*, 8 (2) (May) 184-191.

The full profile procedure, in contrast, presents to respondents several stimulus cards with several attributes at a time; then *ranking order* or *rating* their preferences. For example:

Table 3: Full profile cards of Computers

Card	Brand	Processor	Price
1	Apple	Intel Core i3	$600
2	Apple	Intel Core i5	$600
3	Dell	Intel Core i7	$800
4	Sony	Intel Core i5	$1000

Source: Personal efforts

Three attributes at three levels generates $(3\times3\times3) = 27$ profiles. The number of profiles can be reduced by Fractional Factorial Design (orthogonal array) and the results will be as robust as the full factorial design (Carmone, Green, and Jain 1978). Third, two forms of data are available, metric and non-metric. In metric data collection, respondents are asked to *rate* on Likert scale the pairs (trade-off procedure) of attributes or the stimulus cards (full profile procedure) according to their preference judgment. In contrast, non-metric data collection requires respondents to *rank order* the pairs or stimulus cards based on their preferences from most preferred to least preferred. Fourth, based on data collection procedure, there exist three parameter estimation methods (Green and Srinivasan 1978). The non-metric (rank order) data collection procedure requires an ordinal measurement scale and the parameters are estimated through MANANOVA, PREFMAP, Johnson's non-metric trade-off algorithm and LINMAP. Whereas, the metric (rating) data collection procedure requires an interval measurement scale and the parameters are estimated through OLS regression, MSAE regression and dummy variable regression. There are additional estimation procedures LOGIT and PROBIT which are used when the paired-comparison data is related to choice-probability model. The fifth step (interpret the result) is discussed below.

Finally, reliability can be assessed by test-retest reliability, alternate forms method with spaced testing or R square of the estimated

model. Validity, on the other hand, can be assessed through Pearson's rho or Spearman's rho; that is comparing the actual values of dependent variables (preference judgment) provided by respondent against the estimated values of the dependent variables (Green and Srinivasan 1978; Malhotra and Birks 2007).

3. Empirical Research:

 In the aim of gathering insights on the scope of the research and the industry wherein the hypotheses are to be tested, a qualitative interviewing was undertaken with the marketing research manager of Henkel Algeria. Three major issues were tackled - Henkel's competitors in the liquid dishwashing market, the product attributes and the sample characteristics in this market -.First, the manager myopically stated three brands Test, Aigle and Fairy (direct competitors). The latter is a new entrant and considered to be a major threat to Henkel. Second, there are six attributes of dishwashing soap - grease removal ability, sudsing ability, skin care, density, fragrance and price -.Finally, the manager stated that Henkel's core sample is women between 25 and 55 years old.

 Based on the distilled information a questionnaire was designed and pilot tested with a sub-sample through street interviews mode. Several issues arose and adjustments were made to design an edited questionnaire. Respondents mentioned different set of brands in addition to those mentioned by the manager. The questionnaire included several evaluations with long scales (nine-point and seven-point scales) which were perceived as a fatigue task all across sub-sample. Thereby, women above 50 were excluded. Besides, purchasing a dishwashing soap and doing dishes can be performed by females below 25 years old. Based on these judgments the sample frame was adjusted to be women between 20 and 49 years old. The average time to complete the questionnaire was 15 minutes in addition to the fatigue that was frequently mentioned by respondents, street interviews were not appropriate; home interviews, how-

ever seemed suitable and more convenient. The sample was a non-probability quota sample. The sample size was measured through the mean approach. The sample size was $n = 140.75$ and based on previous researches the sample size was extended to be 400 elements. (Malhotra and Birks 2007).

3.1 Data analysis:

In order to test the first two hypotheses, multidimensional scaling both PREFSCAL (preference scaling) and ALSCAL (differentiation scaling) were conducted to assess customer's preferences toward the brands included in the research and to assess the degree of differentiation between these brands, respectively. After receiving respondents' filled questionnaires the brands in the liquid dishwashing market that were frequently mentioned and consumed by respondents are Pril ISIS 73.3%, Test 15.3%, Aigle 9.8% and Fairy.8%. Even if the brand Fairy had not gotten as much proportion as the other brands it was included due to its competitive potentialities and the dedicated attention to it by entrenched firms.

Digressing for a moment to explain Pril ISIS success which is derived from applying the principles of strategic positioning. That is, establishing valuable position and making trade-offs. Pril ISIS positioned itself as the most effective dishwashing soap on removing grease. Pril ISIS made a trade-off of serving those customers who seek effectiveness with relatively low price; rather than density or other attributes.

To assess customers' preferences respondents were first asked to rank the previous brands from most preferred to least preferred (ordinal scaling measurement). The brands were ranked first by the following proportions, Pril ISI by 57.9%, Fairy by 14.7%, Test by 14.4% and Aigle by 9.6%. These preferences are shallowly ex-

pressed. Pril ISIS acquired the most proportion as a consequence of respondents' interaction with it for many years; and the other brands because they are heavily advertised. In order to assess respondents' preferences more profoundly, preference scaling (PREFSCAL) was conducted to determine the vicinity of brands to respondents' ideal products (the thin blue circles in the preference map).The average of goodness-of-fit measures of PREFSCAL is 92.08% and the average badness-of-fit measures is 5.68%.

Figure 3: Brands Location among Respondents' Ideal Products
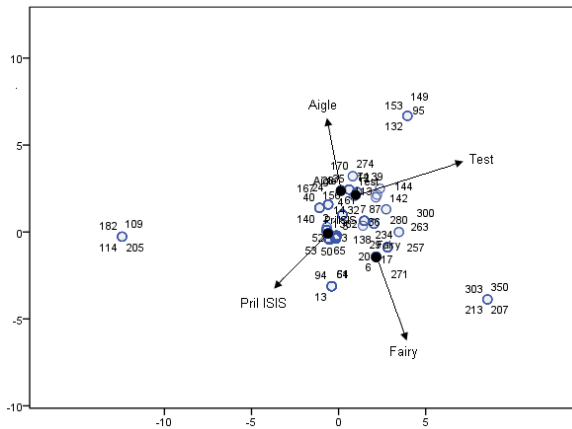
Source: SPSS Version 19

The map contains only the brands that were mentioned by the manager in the interview because the combined market share of these brands is 98%. Further analyses will include only these four brands.

The preference map in figure 3 indicates that Pril ISIS is the closest and the most surrounded brand with respondents' ideal product (when the thin blue circles are layered they become as thicker as the ones surrounding Pril ISIS); therefore, Pril ISIS is the most preferred brand in the liquid dishwashing market. Test and Aigle are relatively in the same location surrounded by relatively the same number of respondents' ideal products and Fairy is the least surrounded. Ideal products that are not in the encirclement of any of the previous brands are classified into two categories. (1) Ideal

products that are scattered out of the surrounding; these respondents may have extra-special needs. (2) Ideal products in-between Pril ISIS, Test and Aigle; these respondents may purchase any brand among the previous three. However, with the right brand positioning they may settle around one. Based on preference ranking and preference scaling, the first hypothesis is accepted.

In order to assess the degree of differentiation between the competing brands, respondents were asked to provide their similarity judgment and the criteria that were used in the judgment. By rating (metric data) the brands on a seven-point Likert scale (interval scale measurement) respondents were able to judge similarities and dissimilarities of brands. Respondents' judgment generated a spatial map with R square (goodness-of-fit) 99.833% and stress (badness-of-fit) 2.643%.The spatial map was labeled with respondents' own judgmental criteria. The horizontal axis is labeled "care" representing price and skin care attributes; while the vertical axis is labeled "effectiveness" representing the rest of the attributes. Pril ISIS is perceived to deliver the most effectiveness. This is may be due to actual experience or due to its advertising as the most effective dishwashing soap on grease. Test and Aigle are perceived to be caring because they are the least expensive in the market and advertised as skin friendly with vitamin E. Fairy is located as the densest product because it has the highest viscosity based on two empirical tests conducted by Henkel Algeria and based on its advertising.

Figure 4: Products Differences Spatial Map
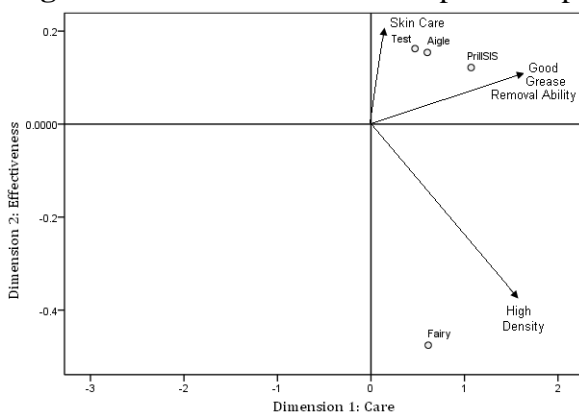
Source: SPSS Version 19

The first thing to notice in the upper right cell is that the brands are very close. That is, brands are not well-differentiated from each others; except Fairy. Thereby, the second hypothesis is rejected, meaning that Pril ISIS is not well-differentiated from its competitors.

Fairy was perceived to be the careless because when it was first introduced it cost almost as twice much as its competitors which led to rejection by many consumers. The empty space in the spatial map represents an opportunity to introduce new products different than the existing ones. The next analysis gives some suggestions about which product to introduce, specifically.

Conjoint analysis was conducted at the aggregate level; the data was collected through rating stimuli cards (metric data) on a nine-point Liker scale from (1) not at all preferred to (9) greatly preferred (interval scale measurement). There were at total 96 profiles; six attributes (grease removal ability, sudsing ability, skin care, fragrance, density and price) each at two levels except price which is a three-level attribute ($2{\times}2{\times}2{\times}2{\times}2{\times}3$ =96 profiles). The profiles were reduced by fractional factorial design (orthogonal array) to 20 stimuli cards. The parameters were estimated by the ordinary least square (OLS) regression using dummy variables as independent

variables and respondents' preference rating as dependent variable. Reliability was assessed based on the R square and validly was assessed based on both Pearson's rho and Spearman's rho generated by comparing the dependent variable observed values versus its predicted values as was explained earlier.

Conducting conjoint analysis at the aggregate level (400 respondents) requires a prerequisite analysis to prevent the "majority fallacy" (Moore 1980). Both componential and cluster segmentation are useful for the precedent purpose; since no additional data was collected on respondents' background; cluster analysis is the most appropriate to proceed conjoint analysis. The inputs of cluster segmentation were the part-worth utilities (estimated "*βs*") from the OLS regression and since high validity implies high reliability; validity was the determinant criterion for the eligibility of parameters to be as clustering inputs. Cluster analysis was a hierarchical clustering using Ward's variance method. Based on the relative size of clusters, ANOVA, the post-hoc test (Tukey) for multiple comparisons and the "dendogram"; a three-cluster solution was the most appropriate.

In measuring the attached importance to each attribute the following procedure was followed. First, there are one dummy variable (β_1) representing a two-level attribute and two dummy variables $(\beta_2 \text{ and } \beta_3)$ representing a three-level attribute. Therefore, the coefficient of the OLS regression is generated by subtracting the base level part-worth utility of an attribute from its upper level part-worth utility. Second, the measurement scale of the collected data through Likert scale was interval measurement scale in which an arbitrary point (0) exists. Based on the facts stated above, the following equations can be formed; (1) for a two-level attribute (grease removal ability for example) and (2) for the three-level attribute (price).

$$\begin{pmatrix} a_{11} - a_{12} = \beta_1 \\ a_{11} + a_{12} = 0 \end{pmatrix} \rightarrow \quad (1)$$

Where:

a_{11}: represents the part-worth utility of the upper level.

a_{12}: represents the part-worth utility of the base level.

$$\begin{pmatrix} a_{61} - a_{63} = \beta_2 \\ a_{62} + a_{63} = \beta_3 \\ a_{61} + a_{62} + a_{63} = 0 \end{pmatrix} \rightarrow (2)$$

Where:

a_{61}: represents the part-worth utility of the upper level.

a_{62}: represents the part-worth utility of the middle level.

a_{63}: represents the part-worth utility of the base level.

 These measurements were repeated across all respondents in each cluster; then the average part-worth utility of each attribute was measured in each cluster. Furthermore, the sum of ranges of the average part-worth utilities is measured in each cluster by the following equation:

$$Sum\ of\ ranges\ of\ the\ i\ th\ cluter = (\overline{a_{11}} - \overline{a_{12}}) + (\overline{a_{21}} - \overline{a_{22}})$$
$$+ (\overline{a_{31}} - \overline{a_{32}}) + (\overline{a_{41}} - \overline{a_{42}}) + (\overline{a_{51}} - \overline{a_{52}}) + (\overline{a_{61}} - \overline{a_{63}})$$

Where:

$(\overline{a_{x_l y_l}} - \overline{a_{x_l z_l}})$: is the range of an attribute.

 The relative importance of an attribute is determined by dividing the range of that attribute on the sum of ranges in that cluster. For example:

$$The\ relative\ importance\ of\ price\ in\ the$$
$$ith\ cluster = \frac{(a_{61} - a_{63})}{Sum\ of\ ranges}$$

Table 3 summarizes the average part-worth utility of each attribute level and the relative importance of each attribute in each cluster.

Table 3: The Relative Importance of Clusters

Attributes	NBR	Description	Cluster 1 Utility*	Cluster 1 Importance	Cluster 2 Utility*	Cluster 2 Importance	Cluster 3 Utility*	Cluster 3 Importance
Grease Removal Ability	1	Good Grease Removal	0,411	15,30 %	0,315	25,10 %	0,814	20,57 %
	2	Bad Grease Removal	-0,411		-0,315		-0,814	
Sudsing Ability	1	Good Sudsing Ability	0,148	5,52 %	0,356	28,36 %	0,434	10,98 %
	2	Bad Sudsing Ability	-0,148		-0,356		-0,434	
Skin Care	1	Soft on Skin Care	1,732	64,44 %	0,846	67,38 %	1,301	32,89 %
	2	Rough on Skin Care	-1,732		-0,846		-1,301	
Fragrance	1	Lasting Fragrance	-0,021	-0,79 %	-0,080	-6,40 %	0,225	5,70 %
	2	No Lasting Fragrance	0,021		0,080		-0,225	
Density	1	High Density	-0,132	-4,90 %	0,046	3,69 %	-0,136	-3,43 %
	2	Low Density	0,132		-0,046		0,136	
Price	1	DZD 100	0,356		-0,108		0,011	
	2	DZD 150	0,386	20,43 %	-0,239	-18,13 %	-0,011	33,30 %
	3	DZD 200	-0,742		0,347		-2,624	

*. Most preferred level of each attribute is underlined

Source: SPSS Version 19

Respondents in the three clusters agree upon the most preferred level of the first three attributes - grease removal ability, sudsing ability and skin care -; whereas, they disagree upon the rest of the attributes. Respondents in cluster 1 want a dishwashing soap with no lasting fragrance, low density, good sudsing ability, costs DZD 150, good grease removal ability and skin friendly. This segment (rational segment) assigns the most importance to the skin care attribute 64.44%, followed by price 20.43%, grease removal ability 15.30% and sudsing ability 5.52%; fragrance and density have no attached importance. Respondents in cluster 2 desires a dishwash-

ing soap with high density, no lasting fragrance, perfect grease removal and susding ability, costs DZD 200 and skin friendly. This segment (non-price sensitive) attaches the greatest impotence to the attributes skin care 67.38%, followed by sudsing ability 28.36%, grease removal ability 25.10% and density 3.69%; price and fragrance did not matter to this segment. The final cluster seeks a dishwashing soap that costs DZD 100 with low density, lasting fragrance, good sudsing and grease removal ability and skin friendly. This segment (price sensitive) assigns to price the most importance by 33.30% followed by skin care 32.89%, grease removal ability 20.57%, sudsing ability 10.98% and fragrance 5.70%; density is not self-relevant to this segment.

The heterogeneity of the sample disqualifies the sample characteristics mentioned by the manager. According to the results it is distinct that women between 20 and 50 years old DO NOT assign the same importance to the same set of attributes. Therefore the manager defined a sector not a segment (Kolter and Keller 2006). Furthermore, the heterogeneity of the assigned importance leads to opportunities for developing new products based the assigned importance. At least three products can be introduced for each cluster. The configured activities to deliver a product to cluster 1 must differ from those configured to deliver another product to the other cluster and so forth.

Respondents were then asked to rate (interval scale measurement) each brand attributes from 0 to 10 and 10 being the highest rate; since customers prefer lower prices, price was reversely rated. Table 4 displays the ratings.

Table 4: Average Evaluation of the Brands Attributes

Attributes	Pril ISIS	Test	Aigle	Fairy
Cleaning Ability	8.76	7.62	7.36	7.04
Sudsing Ability	8.32	7.36	6.95	6.68
Skin Care	7.40	6.74	6.43	6.15
Fragrance	7.61	7.30	6.82	6.92
Density	7.87	6.70	6.34	6.35
Price	7.12	7.12	6.73	6.37

Source: SPSS Version 19

The rating of one attribute is compromised by other attributes be-cause consumers evaluate a product on a set of salient attributes not on one-by-one basis. Consequently, the rating would be more accu-rate if it was conducted through benchmarking test or blind testing.

Now replacing the variables in the following equation by their values from table 3 and table 4 yields the results presented in table 5.

$$PV = \sum_{i=1}^{n=6} AR \times RIA$$

Where:

PV: perceived value

N=6: because there are six attributes

AR: attribute rating provided by respondents

RIA: relative importance of the attribute.

Table 5 shows that Pril ISIS outperforms all the brands in respect to value in all clusters; therefore, accepting the third hypothesis. Although, the differences in respect to value are not much apart. Pril ISIS competitors could catch up because it is not a moving target.

Table 5: Perceived Value of Each Cluster

	Perceived Value		
Brands	Cluster 1	Cluster 2	Cluster 3
Pril ISIS	7.58	8.06	7.69
Test	6.98	7.03	7.15
Aigle	6.67	6.73	6.81
Fairy	6.35	6.44	6.5

Source: SPSS Version 19

In order to substantiate the suggestion of introducing new products; consumer general intentions about altering their washing behavior from hand-washing into washing by dishwashers indicated that 96.3% of respondent responded by "No" when they were asked if they possess a dishwasher and 55.3% do not intend to buy one. In fact some respondents felt outraged when they were asked if they intend to buy one and a respondent said "*I have my hands, I am not a cripple*". This is considered as an opportunity for all companies to develop a product specifically dedicated to each cluster because consumers' trends are stable in this market.

3.2 Linking the results:

Benefit clustering produced three clusters - rational segment, non-price sensitive and price sensitive - which differ in their needs. According to price the rational segment is served by Pril ISIS, Test and Aigle. The non-price sensitive segment is served by Fairy and the price sensitive segment my find a product according their needs or settle for products of the first segment. The third segment (price sensitive) is represented in preference map (figure 3) by the circles in-between Pril ISIS, Aigle and Test.

Besides, multidimensional scaling provided insights to introduced new products since no substantial differences exist between competing brands and what's more; the market is stabile. Consequently, three products can be introduced for each cluster based on the relative importance assigned to each attribute from table 3. For the

products to be successful, they should include attributes that are valued by customers and located in the empty space in the spatial map in order to be differentiated.

Since the rejection Fairy experienced, it reduced its price to place it amongst consumers' consideration set. Fairy is acquiring its competitors' customers. Pril ISIS on the other hand has changed its advertising from the most effective product to the densest; which is a fatal error. Pril ISIS has empirical evidence that Fairy viscosity is higher than theirs and the company is going forward to dilute its product positioning and confuse its customers. Pril ISIS is aggravating its positioning by attempting to be everything to all consumers. Pril ISIS is competing on the same basis in which Fairy is considered as the reference. The potential is that Fairy will become the value provider. The company, therefore, needs to "re-reposition" itself; said differently, Henkel Algeria must go back to its former brand positioning which resulted in its success.

Conclusion:

Strategic positioning leads to gigantic effects on a firm; value from which is the most important since it affects consumers' purchase decision. Henkel Algeria in the household industry was chosen as a cases study; wherein, its strategic positioning was examined on only two dimension rather than three (1) valuable position and (2) making trade-offs. Perceived value was assessed on the attribute level using conjoint analysis.

Conducting qualitative and quantitative researches in household industry led to the following results:

- Since it applied the principles underlying strategic positioning, Henkel is enjoying highest market share, most preferred and delivering the greatest value to its customers in the dishwashing soap market.
- Based on the spatial map, brands in the liquid dishwashing market are slightly-differentiated.

- There exist three different segments - non-price sensitive and price sensitive - that value different set of attributes. The first two segments are well-served, whereas, the latter is underserved.
- Algerian consumers do not intend to alter their behavior into washing by dishwashers; their trends are quite stable in the liquid dishwashing market.
- Based on these results entrenched firms should:
- Introduced new products dedicated to each segment based on the benefits they seek.
- Find new dimensions to compete on and not competing head-to-head on the same basis (Pril ISIS is imitating Fairy).
- Since an opportunity is present, firm should differentiate as much as possible.
- Create strategic interrelationships if possible especially for Pril ISIS (Henkel) and Fairy (Procter & Gamble).

In sum, value created from strategic positioning benefits consumers, firms and the entire industry. Consumers received the greatest value; firms enjoy a good return on investment; and the industry stays profitable since firms compete on different dimensions.

References:

- Ahtola Olli T. (1984), "Price as a 'Give' Component in an Exchange Theoretic Multicomponent Model", *Advances in Consumer Research*, 11, 623-26.
- Anderson James C., Narus James A., and, Rossum Wouter Van (2006), "Customer Value Proposition in Business Markets", *Harvard Business Review*, (March), 1-9.
- Berelson Bernard and Steiner Gary A. (1964), *Human Behavior: An Inventory of Scientific Findings*, New York: Harcourt, Brace Jovanovich.
- Bernard J. Jaworski, , Kohli Ajay K., and Sahay Arvind (2000), "Market-Driven Versus Driving Markets", *Journal of the Academy of Marketing Science* , 28 (1) (WINTER), 45-54.
- Bishop Susan (1999), "The Strategic Power of Saying NO", *Harvard Business Review*, (November-December), 4-11.
- Carmone Frank J., Green Paul E. and Jain Arun K. (1978), "Robustness of Conjoint Analysis: Some Monté Carlo Results," *Journal of Marketing Research*, 15 (2) (May), 300-303.

- Dodds William B. and Kent B. Monroe (1985), "The Effect of Brand and Price Information on Subjective Product Evaluation", *Advances in Consumer Research*, 12, 85-90,
- Drucker Peter F. (2002), *The Effective Executive*, New York: HarperCollins Publishers Inc.
- Fast Norman (1983), "The Lincoln Electric Company", *Harvard Business School Case* (9-376-028), (July), 1-30.
- Green Paul E. and Srinivasan V., "Conjoint Analysis in Consumer Research: Issues and Outlook (1978)," *Journal of Consumer Research*, 5 (2) (September), 103-23.
- Haley Russell I. (1968), "Benefit Segmentation: A Decision-Oriented Research Tool", *Journal of Marketing*, 32 (3) (July), 30-35.
- Hargroves Karlson and Smith Michael H. (2005), *The Natural Advantage of Nations, Business Opportunities, Innovation and Governance in the 21st Century*, UK: Earthscan.
- Iacobucci Dawn (2001), "Kellogg on Marketing", New York: John Wiley & Sons, Inc.
- Johnson Richard M. (1974), "Trade-off Analysis of Consumer Values," *Journal of Marketing Research*, 11 (2) (May), 121-127.
- Johnson William C., Weinstein Art (2005), *Superior Customer value in the new economy*, second edition, (Florida: CRCPRESS, Boca Raton.
- Kent B. Monroe (1990), *Pricing: Making Profitable Decisions*, New York: McGraw-Hill.
- Kotler Philip (2003), *Marketing Insights from A to Z*, New Jersey: John Wiley & Sons, Inc.
- Kotler Philip, Keller Kevin Lane (2006), *Marketing Management*, 12th Edition, New Jersey: Pearson Prentice Hall.
- Lanning Michael J. (2000), "An introduction to the market-focused philosophy, framework and methodology called Delivering Profitable Value", *The DPV Group, LLC*.
- Levitt Theodore (1975), "Marketing Myopia", *Harvard Business Review*, (September-October), 1-13.
- Malhotra Naresh K. and Birks David F. (2007), *Marketing Research: An Applied Approach*, Third European Edition, Harlow: Pearson Education Limited.
- Milgrom Paul, and Roberts John (1995), "Complementarities and Fit - Strategy, Structure, and Organizational Change in Manufacturing", *Journal of Accounting and Economics*, 19, 179-208.

- Moore William L. (1980), "Levels of Aggregation in Conjoint Analysis: An Empirical Comparison," *Journal of Marketing Research*, 17 (4) (November), 516-23
- Nirmalaya Kumar, Scheer Lisa, and Kotler Philip (2000), "From Market-driven to Market-driving", *European Management Journal*, 18 (2) (April), 129-42.
- Olson Jerry C. and Jacob Jacoby (1972), "Cue Utilization in the Quality Perception Process", in *Proceedings of the Third Annual Conference of the Association for Consumer Research* , 167-74.
- Olson Jerry C. and Thomas J. Reynolds (2001), "The Means-End Approach to Understanding Consumer Decision Making", in *Understanding Consumer Decision Making, the Means-End Approach to Marketing and Advertising Strategy*, edited by Reynolds Thomas J. and Jerry C. Olson, New Jersey: Lawrence Erlbaum Associates, Inc.
- Paul Peter J. and Jerry C Olson. (2010), *Consumer behavior and marketing strategy*, ninth edition, New York: McGraw-Hill.
- Porter Michael E. (1980), *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, New York: The Free Press.
- Porter Michael E. (1987), "From Competitive Advantage to Corporate Strategy", *Harvard Business Review,* (May-June), 2-21.
- Porter Michael E. (1996), "What Is Strategy?" *Harvard Business Review,* (November- December), 61-78.
- Porter Michael E. (2001), "Strategy and the Internet," *Harvard Business Review* (March), 1-19.
- Porter Michael E. (2008), "The Five Forces That Shape Strategy", in *HBR's Must-Reads on Strategy*, Harvard Business Review, (January).
- Porter Michael E. (2012), "What Is Strategy?" Introduction to Entrepreneurship, Conference at University of North Carolina at Chapel Hill, NC (November, 13th).
- Richard Bandler and John Grinder (1975), *The Structure of Magic 1*, (California: Science and Behavior Books, Inc.
- Ries Al and Trout Jack (2000), *Positioning: The Battle for Your Mind*, New York: McGraw-Hill.
- Slywotzky Adrian J. and Weber Karl (2011), *Demand: Creating What People Love Before They Know They Want it*, New York: Crown Publishing Group.
- Zeithaml Valarie A. (1988), "Consumer Perceptions of Price, Quality, and Value- A Means-End Model and Synthesis of Evidence", *Journal of Marketing*, (July), 2-22.