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HALEEB – REJUVENATING THE MARKET LEADER OF THE PAST

It was Monday, 4th of July 2016 and Majid Noor, the recently hired Marketing Director at Haleeb Foods Limited Lahore, was gradually settling into his morning routine. He was about to leave for a cup of coffee when his phone started to ring. It was their creative agency who had called to ask for a creative brief on Haleeb's re-launch by Wednesday, if the campaign had to be executed during the current quarter.

Haleeb, the Ultra High Temperature (UHT) processed milk brand of Haleeb Foods Limited, was a major cash cow of the company and had dominated the UHT milk segment with more than 50% market share till the mid-2000's. However, due to rapid changes in the competitive dynamics of the segment and reactive approach of the previous management, the brand had slowly receded into oblivion with a single digit market share by FY2015/16. Haleeb Food's new management - the company was taken over by VMFG Private Limited in 2012 - wanted to revive their flagship brand and had recruited Majid Noor, a veteran marketing executive with considerable experience in FMCG sector, to come up with a viable brand re-launch strategy by the end of this quarter.

Majid called Rafiq Khan, the Assistant Brand Manager, into his office and started to brief: *"Our creative agency just called me up and asked for a creative brief for the brand re-launch by Wednesday. The problem is we need to be crystal clear about how to competitively position Haleeb in the market. Unless we can clearly tell it to our customers why they should buy Haleeb, they would continue buying the brands that they have been buying all these years we were away"*.

Rafiq nodded in affirmation but seemed confused.

Majid continued: *"I mean we need to understand how to take Haleeb forward with this re-launch. We have two obvious choices: continue with Haleeb's legacy positioning or come up with a new positioning strategy? As you can see a lot has changed during the past 10 years, when we were the market leaders. Now, we need to identify who is our target market and make sure that our positioning resonates with them? We also have to analyze the competition in detail and ensure that Haleeb's positioning remains different from them? Customers need to know that we are different, otherwise, we will struggle to compete and gain market share."*

Dynamics – Agriculture & Dairy Processing Industry

Despite decades of industrial development, Pakistan was largely an agrarian economy (21% of GDP, 43% of labor employment¹). Among agri-sectors (crops, fisheries, forestry), livestock was the primary engine of growth (Sector shares 2000/01: Crops = 48%, Livestock = 48%; Sector shares 2015/16: Crops = 37%, Livestock = 59%) and over the year had become the largest contributor to agri-output. Livestock included cattle, buffalos, sheep, goat, camel, horses, mules, poultry and their products (such as milk, butter, cheese). The sector was largely dominated by milk production (51% share of livestock output) for which Pakistan was ranked 4th in the world, after India, USA, and China, respectively. The bulk of local milk production was from buffalo (24 million metric tons, Global Rank: 2nd) and to some extent from goats (800,000 metric tons, Global Rank: 4th). The milk was then distributed to end consumers in two ways (i) loose and (ii) processed milk.

¹ Economic Survey of Pakistan, 2015-16.

Loose milk, the more common type (Annual Production = 40 billion liters; Growth Rate = 3%), was defined as one that was sold from large open containers in the shop and came straight from dairy farms. Mostly, it was adulterated/diluted with water/ice to protect it from getting spoiled and to increase its volume. On the other hand, processed milk referred to products which were industrially treated for consistency and preservation such as plain white UHT milk, tea creamers, dairy beverages, flavored milk, and High Carb, Low Fat (HCLF) milk. The installed capacity of processed milk was 2.42 billion liters per annum and it a current utilization ratio of 50%. Within the segment, tea creamers had the highest volumetric share and plain white UHT milk had the highest growth and value share (See Exhibit B). Due to the excessive demand of milk products in the country, both loose and processed milk, were not enough to meet local demand. It was estimated that with the current demand growth of 13.5% per annum, the country faced an approximate shortfall of 7 to 8 billion liters of milk.

Loose milk had a significantly higher consumption share than UHT milk across all occasions (See Exhibit C). Major reasons that contributed to this difference, apart from relatively shorter history of UHT milk industry, included price difference and lack of trust on UHT process. UHT milk was expensive as it retailed for Rs. 120/liter (\$1 = approx. Rs. 100) versus Rs.80/liter for loose milk. Also, consumers believed UHT milk to be harmful for consumption as it was “processed” with chemicals. Hence, the associations with words such as “healthy” and “pure” were not so strong across the market. However, with increasing awareness about the adulteration of loose milk by the milkman or the dairy farm owners, customers were also getting skeptical about the quality of loose milk, and only purchased it from personally known reliable shops/milkman/farm owners.

CONSUMER BUYING BEHAVIOR AND PROFILES

To get an up to date understanding of the UHT milk segment, Majid commissioned a couple of reputed market research agencies to conduct few studies who presented the following findings to the brand team.

Consumption of Milk:

Research indicated that consumers associated number of benefits with the consumption of pure white milk (See Exhibit D). These were:

- Development: Physical and Mental (Most preferred for young children)
- Healthy Diet and Source of Energy: High nutritional value (Calcium and Vitamins)
- Beneficial for Medial Efficacy: Catalyst for effectiveness of medicines

According to the study, different segment of consumers had different reasons for consuming milk. For instance, a child was made to drink milk twice or thrice daily (breakfast and before bed) for healthy growth, mental development and vitamin D intake. Whereas adults, mostly drank milk before bed time as it was assumed to be anti-acidic and helped in “cooling” the stomach.

The consumption of milk, however, was not just restricted to the simple act of drinking as it is. Milk was one of the key ingredients for many beverages and sweet dishes that were consumed regularly. One of the most widely consumed beverage, tea (7th highest per capita consumer of tea products), was rarely consumed without adding milk to it. In Pakistan, the culture of having tea was widespread and consumed throughout the day. At homes, it

was regularly consumed after meals as an energy booster and was served to guests as it was considered an essential part of hospitality. In commercial areas, tea stalls were readily available on every corner to cater to the high demand by the shopkeepers who would drink it to remain energized and also offer it to their customers. Such widespread consumption of tea automatically increased the intake of milk. Although tea creamers existed in the market, a significant proportion of consumers believed that ‘authentic’ tea is only prepared with milk. In fact, the use of milk while consuming tea was greater than drinking pure milk itself (See Exhibit E). Milk was also used to prepare sweet dishes that were consumed not only during festivities, but also after meals in most households. This mode of milk consumption ranked third in the list of milk consumption by occasions. Other uses of milk, however not very significant, included preparation of porridge, yoghurt, coffee, lassi, ghee and butter.

UHT Processed Milk:

UHT process was developed in 1960s to sterilize liquid food by exposing it to very high temperatures (above 135 °C) for a short duration of time (2 to 5 seconds) and then immediately cooling it down to normal temperature. It ensured that harmful microorganisms were eliminated while the nutritional value, quality and taste were preserved. Although the UHT process was used for different products such as juices, yogurt, soups, honey, but it was most commonly used for processing milk. A significant advantage of UHT processed milk over fresh milk was its long shelf life of around six to nine months even at room temperatures. This made storage and transportation of UHT processed milk easier.

In Pakistan, strict local regulations were in place for the processed milk category. As per them, the UHT processed milk was a homogenized product and had to maintain a standard level of viscosity with less than 3.5% milk fat and 8.9% of milk solids other than milk fat. It was also required to be free from any non-dairy ingredients except the permissible food additives and supplements.

A recent market research on the consumption UHT milk in the local market, indicated following major reasons why consumers preferred UHT processed milk:

- Product Quality – Viscous, creamy, sweet and pure
- Health Benefits – Hygienic, comes with an expiry date, nutritious, enhanced composition of vitamin D and calcium
- Convenience – Easy to handle and use, easy to store, no need to boil (saves hassle)
- Viscous – good for preparing tea

However, major reasons to avoid using UHT milk were:

- Chemically treated
- Expensive – especially while preparing sweet dishes that require lots of milk
- Not natural – harmful for children
- Didn’t give the right color for tea
- Didn’t get delivered to door step and no credit facility (vs. purchasing from milkman)

Who is buying? – UHT consumers’ profile:

Demographic: Socio Economic Class

Socio Economic Class (SEC) was a commonly used method to demographically segment Pakistani consumers. It considered two factors (i) a family’s principal bread earner’s occupation (also a proxy of income) and (ii) education. Based on the combination of these two factors(see **Exhibit F**), a family was classified as A, B, C, D, or E, with ‘A’ representing affluent families with high level of education and ‘E’ representing blue collar families with unstable jobs and low education levels. Research showed that the consumption of commodities and amenities such as internet, television and goods were highest for SEC ‘A’ and lowest for SEC ‘E’. Similarly, milk consumption was also the highest for SEC ‘A’ and ‘B’ and lowest for SEC ‘E’ (**See Exhibit G**).

Geographic: Rural vs. Urban Population

Nearly 61% of the total population (approx. 180 million) lived in the rural areas of Pakistan. People in these areas had traditional values, were not open to change, and did not have a sense of urgency in their life. Due to their limited disposable income and large family sizes (usually joint-families), the head of the family, who was a male member, took all major decisions regarding consumption. Moreover, owing to the traditional lifestyle, the reliance on packaged goods was very little and the perceived value of fresh food was very high.

On the other hand, the urban areas represented 39% of the total population and had some key differences from rural areas. Owing to the fast-paced urban life, most people had a sense of urgency, which led to a strong reliance on convenient packaged goods for consumption. Open to novel ideas and cultures through easy access to media (television, internet, newspapers), the urban population was known to make changes in norms and trends of the society.

The consumption of plain white UHT in the rural areas grew between FY2013/14 (23.8 million liters) and FY2014/15 (27.7 million liters) but stagnated in FY 2015/16 (27.8 million liters). On the other hand, the sales of plain white UHT milk in urban areas experienced decline between FY2013/14 (181.7 million liters) and FY2014/15 (161.2 million liters) but experienced a 9% growth in FY2015/16 (175.8 million liters). While only 2% of SEC ‘A’ and ‘B’ in rural areas consumed plain white UHT milk for drinking purposes (vs. loose milk: 94%), 8% of SEC ‘A’ and ‘B’ urban population consumed plain white UHT milk for drinking⁴ (vs. loose milk: 74%). In addition, 37% of the rural population remained non-trialists – people who may have been aware of plain white UHT milk but had not tried it yet- as compared to the 27% of the urban population who were categorized as non-trialists.

Psychographics:

Research also identified five distinct UHT milk consumer segments based on their psychographics. These were labelled Traditionalist Rural Females, Go-Getters Urban Females, Young Enthusiastic Guys, Habitual and Non-Conformist Rural Females (**see Exhibit H**).

THE COMPETITIVE LANDSCAPE – UHT MILK INDUSTRY

Although the concept of processed milk existed in Pakistan since 1960s, but it was the entry of Tetra Pack during 1980s under the management of Packages Limited, that had led to the rapid development of the segment. Haleeb, one of the pioneers of UHT milk in Pakistan, had set up its facilities in 1984 and held a market leadership position till mid-2000s. However, by FY2015/16, the segment was mainly dominated by Olpers (Engro Foods Limited) and MilkPak (initially owned by Packages Limited and later acquired by Nestle Pakistan).

MilkPak (Nestle Pakistan):

Background:

MilkPak, owned by the multinational corporate giant Nestle, had been in the market for over thirty years. It enjoyed the benefit of being regarded as the oldest brand in the UHT milk segment, primarily due to the weak market presence of Haleeb. It dominated the market for ‘all-purpose UHT milk’ with an approximate 45% market share by FY2015/16. It was considered suitable for people of all ages, primarily due to the fortified calcium and vitamin D content. It was also considered as one of the best packaged milk brands that could be used for preparing tea. However, Nestle also owned ‘Everyday’, a very popular tea whitener that was heavily promoted and was commonly used at cafeterias, offices, and urban households.

Most of the MilkPak users had switched to it either from loose milk or Haleeb. Loose milk consumers had switched after they realized the benefits of packaged and processed milk. For instance, the ease of storage, longer shelf-life, and the health benefits associated with standardized and hygienic milk. On the other hand, Haleeb users had switched to MilkPak merely because they had become disappointed with the quality and non-availability of Haleeb.

Brand Profile:

Since 2011², MilkPak was positioned as “Khaalis” (translate: pure) milk with rich iron and calcium content. Numerous campaigns with the same theme were launched to re-enforce the “Khaalis”³ (**See Exhibit I**) nature of the product. For example, in 2015 an ad featuring Anwar Maqsood (a popular television artist, writer and host) targeted consumers (primarily mothers) to choose the right product for consumption. The idea of blindfolding the shopper in the advertisement depicted that MilkPak wanted its customers to choose with their ‘eyes open’ and with responsibility⁴. Subsequently in 2016, the ‘purity’ theme was transformed from a purely ‘product’ oriented functional perspective into a more emotional message of “pure family relations” with a campaign⁵ that used a

² Afzai, Zooni, “Nestle MilkPak Pakistan 40 sec ad 2011”. Youtube Video, 43 seconds, Posted February 21, 2012
<https://www.youtube.com/watch?v=MWzHUd01eN0>

³ Surendranath, Kailash, “Milk pak doodh”. Youtube Video, 39 seconds, Posted June 28, 2012
<https://www.youtube.com/watch?v=y2dBgHjabtY>

⁴ Shah, Gaurav, “ASHA FILMS NESTLE MILKPAK TVC 2015”. Youtube Video, 37 seconds, Posted August 14, 2015
<https://www.youtube.com/watch?v=JaFKSgZqH9o>

⁵ Milkpak, Nestle, “NESTLE MILKPAK TVC”. Youtube Video, 52 seconds, Posted April 15, 2016
<https://www.youtube.com/watch?v=awNd7jIcLiI>

tagline – ‘Rishtay Khaalis’ (translate: Pure Relations). The same theme was carried forward during the annual Ramazan campaign⁶, in which the virtue of sharing with neighbors was highlighted as ‘Rishtay Khaalis’.

Consumers clearly recognized Nestle MilkPak due to its strong advertising and distinct packaging (250 ml and 1liter) in green and white color. Consumers held strong associations of ‘pure’ and ‘hygienic’, and moderate associations of ‘viscous’, ‘well known’, ‘popular’ and ‘good quality’. Words such as ‘sweet’, and ‘bold’ had weak associations with the brand. Some consumers found MilkPak to have a slight odor and claimed that it was not as viscous as Olper’s, which made it a bad product to be served to children. As for its packaging, it had moderate associations with words such as ‘expensive’ and ‘modern’, while it held weak associations of ‘attractive’ and ‘contemporary’.

According to consumers, the brand personality of MilkPak could be visualized as an upper middle-class female, aged between 35 and 50 years, who ran a Non-Governmental Organization (NGO), or was a teacher who wished to educate and impart knowledge to the society. Very few respondents associated MilkPak with a male figure; however, the other attributes were similar to the attributes associated with female figure.

Olper’s (Engro Foods Limited):

Background:

Olper’s (stemmed from ‘All Purpose’) was the latest of the top three brands in the UHT milk industry. It was launched in 2006 by Engro Foods Limited, a subsidiary of Engro Corporation which was a large national conglomerate with strong business interests in the agricultural industry. Olper’s had continued to grow its market share significantly, giving strong competition to the old and established brands such as Haleeb and MilkPak. Olper’s enjoyed 44% market share of the UHT milk industry by FY2015/16. Olper’s, according to its users, was known for being tasty, pure and viscous. The interesting advertisements coupled with its good-looking packaging, attracted lots of attention from consumers, who believed that the product was suitable for all purposes, especially for tea preparation. However, Engro Foods Limited, also owned ‘Tarang’, which was a tea creamer sold in liquid form⁷. The brand was positioned for lower SEC’s and was the market leader in its segment.

As Olper’s was a late entrant, therefore most of the consumers had switched to it from MilkPak and Haleeb. The major reason cited by such consumers was a perception of better quality milk being served by Olper’s as compared to others. Some loose milk consumers who switched to Olper’s did so because of the perceived benefits of packaged and processed milk.

Brand Profile

Olper’s had gained a lot of attention from the market due to its interesting and colorful advertisements. It’s brand launch campaign⁸ with the tagline “Subha Bakhair Zindagi” (translate: Good Morning Life), had been termed as

⁶ Citrustalent, “Nestle MilkPak The Spirit of Ramazan TVC 2016 Citrus Talent”. Youtube Video, 63 seconds, Posted April 10, 2017 <https://www.youtube.com/watch?v=DVFueKNPaAY>

⁷ Engro Foods Limited, “enjoy the perfect cup of tea with tarang’s naya lajawab maza!”, Engro Foods Limited, n.d., accessed May 22, 2017, <http://www.engrofoods.com/tarang.html>.

⁸ Usaeed1979, “Olpers Launch Ad”. Youtube Video, 65 seconds, Posted October 10, 2007 <https://www.youtube.com/watch?v=APsHsW9r1Zg>

one of the eight intelligent ad campaigns by Aurora (leading Marketing Magazine of Pakistan) in 2015⁹. Similarly, their re-enactment of a Qawwali (a form of Sufi music) by pop singer, Atif Aslam during the Ramazan of 2009 gained a lot of traction from consumer. Olper's advertising campaigns (**See Exhibit I**) depicted family values and diversity in local cultures to connect with consumers across situations, occasions and identity.

Consumers drew strong associations of words such as 'viscous', 'bold', and 'fun-loving' with Olper's, while words such as 'sweet', 'popular' and 'good quality' had moderate associations with the brand. They also strongly related with the colorful packaging of Olpers. It was the only UHT milk brand that was available in three different sized SKUs i.e. 250ml, 1000ml and 1500ml. As far as aesthetics were concerned, the red and white combination of the packaging was very distinct. According to the consumers' responses, Olper's packaging had strong associations of 'modern', 'stylish', 'attractive' and 'stands out', while it had a moderate associations of 'expensive' and 'contemporary'. However, some consumers believed that Olper's was not good for drinking and had a poor-quality product in attractive packaging.

Two distinct brand personalities were associated with Olper's. First and the most common personality associated with the brand was that of a strong, good-looking and arrogant male between 35-40 years of age. He was educated and probably a businessman. However, some respondents associated Olper's brand personality with that of a female, a modern housewife, who aimed at maintaining a good standard of living for her family and was progressive (proponent of self-empowerment).

Haleeb (Haleeb Foods Limited):

Background:

The pioneer in the plain white UHT milk industry of Pakistan, Haleeb started its operations in 1984. During 1990s, Haleeb's effective marketing campaigns resulted in the brand clearly positioned as the 'Garha' (translate: thick/viscous/creamy) milk and allowed it to penetrate through the traditional households that considered processed milk as unhealthy. The brand enjoyed a 52% of market share in FY2002, and maintained a 50% plus market share up until FY2006/07. However, post FY2006/07, with the introduction of Olper's, Haleeb's market share had fallen consistently and stood in single digits by the FY2015/16. External factors were not only responsible for Haleeb's decline. According to an internal study, the brand awareness in 2010 had fallen behind all other brands due to negligible investment in advertising. During this period, Haleeb's relations with its distributors and retailers had also deteriorated, and they had started to prefer stocking other popular brands that had more demand in the market. In 2012, VMFG Private Limited managed to acquire a majority share in HFL and focused on re-establishing company's firm hold of the market through innovative processes, rejuvenation of old brands, and addition of new brands under HFL.

Being the first mover in the segment, consumers had switched to Haleeb primarily from loose milk. Reasons included: better hygiene, longer shelf life, and consistent quality. However, over the years most consumers had switched to either MilkPak or Olper's because of the poor quality of Haleeb milk and also due to frequent stock outs. Majority of the consumers believed that the product had been discontinued, simply because the brand had

⁹ Iqbal, Y., 'Eight intelligent ads that are a must-watch!', Aurora, accessed May 23, 2017, <http://aurora.dawn.com/news/1141232>

not advertised for almost a decade in a segment where competitors aggressively promoted their brands. For example, industry's investment in advertisements during FY2015/16 was estimated at Rs. 3 billion and Haleeb's share stood at a low of zero.

Brand Profile:

Haleeb's vintage advertisements had consistently revolved around the concept of making a nice cup of tea and it being the creamiest of the milk. The advertising recall activity conducted by the marketing research agency revealed that consumers still remembered their most famous slogan "Chai banayey khoob Haleeb sab sa garha doodh Haleeb" (translate: Haleeb makes good tea and it is the creamiest/viscous of the milk in the market)¹⁰. However, just prior to their era of total absence from media activities, the advertising campaigns had shifted focus towards having strong relationships and targeted families rather than individuals¹¹ (**See Exhibit I**) but this change in positioning had no recall among consumers.

People drew strong associations of word 'viscous/creamiest' with Haleeb, while words such as 'sweet', 'good quality', 'well known' and 'bold' had moderate associations with the brand. Words such as 'popular' and 'fun loving' had weak associations. Some consumers complained that due to extra viscosity/creaminess, the milk often settled in lumps at the bottom of the pack. The differentiation of Haleeb, highlighted throughout its lifespan, had been that it was 'Garha' (translate: Thick/Creamiest) milk that helps prepare a good cup of tea. However, Haleeb Foods Limited now also owned 'Tea Max', a successful tea whitener brand. Haleeb milk came in two sizes of 250ml and 1 litre and with its classic blue and white color combination, was clearly recognized by the consumers. Moderate association of 'modern', 'stylish', 'attractive', 'expensive' and 'stands out', were related with Haleeb's packaging.

The brand personality of Haleeb was defined similar to that of a close friend or relative who had gone away and now meets infrequently. Some considered Haleeb's personality to be similar to that of an educated SEC 'C' class female, who was between 35-40 years of age and was not modern or willing to move forward with life.

THE WAY FORWARD

Majid continued his conversation with Rafiq Khan: *"Please take this template and collect your thoughts on the points that I highlighted. I am free after lunch, so let's meet up to discuss and decide".*

Rafiq stood up and as he was walking towards the door, he started re-organizing the agenda in his mind: *Should we continue with Haleeb's legacy positioning strategy or revamp it completely? Who is now our target market and how can we ensure that our positioning strategy will appeal to them? How are our competitors positioned and what should we do to be different from them?*

With its popularity as a brand of yester-years, Haleeb had to make a mark in the plain white UHT milk category. The marketing team had to decide on the future course of actions that would put the brand on track for renaissance.

¹⁰ Paragonads, "Haleeb 16 sadia". Youtube Video, 16 seconds, Posted June 28, 2011

<https://www.youtube.com/watch?v=On72SOxhlcs>

¹¹ HaleebFoodsLimited, "Haleeb Milk.mp4". Youtube Video, 61 seconds, Posted July 26, 2011

https://www.youtube.com/watch?v=MizWTqO_JbM

Exhibit A: Agency Brief

Background:

2016 is a seminal year for brand HALEEB. Major investments have been planned to rejuvenate the brand for consumers in Pakistan after experiencing years of volume and equity decline. At its height (early 2000s), the brand was a clear market leader versus Nestle's MilkPak. It relied upon the product concept of 'gharapan' (translate: Thickness) in its unsubstantiated claim, 'Sab sey ghara doodh Haleeb' (translate: Haleeb is the thickest milk) in advertising campaigns. Nestle in turn was finally able to build upon the functional attribute of purity ('Khalis') that for years it effectively portrayed in its campaign tagline 'Khalis hi sub kuch hai' (translate: Purity is everything). The subsequent launch of Olpers in the mid-2000s saw the introduction of an emotional construct (optimism) in the brand's tagline 'Sub bukhair zindagi' (translate: Good morning life) with efforts to build this attribute in an otherwise functionally oriented plain family milk for SEC A-C consumers! In later years, Haleeb Foods continued to face quality and distribution issues and in the onslaught of competitors' investments, the brand Haleeb today has insignificant market share.

Objectives: --- To be Discussed ----

Mandatories: --- To be Discussed ----

Exhibit B: UHT Dairy Market Size




* All volume is in millions of liters						
	2015	2016	Growth	% Of Total Processed Milk Market (2016)	2016 Consumer Price (per liter)	2016 Category Value in PKR
	Volume	Volume				
Plain White Milk	400	450	13%	38%	120	54,000,000,000
Tea Creamers	580	600	3%	51%	80	48,000,000,000
UHT Cream	19	15	-21%	1%	450	6,750,000,000
Dairy Beverages	60	60	0%	5%	85	5,100,000,000
Flavored Milk	47	50	6%	4%	125	6,250,000,000
High Carb, Low Fat Milk	10	12	20%	1%	140	1,680,000,000
Total	1116	1187	6%	100%		121,780,000,000

Exhibit C: Type of Milk Consumed (%) and the Occasions

Occasion	Type of Milk Used (%)	
	Loose	UHT
Drinking	83	6
Milkshake	81	14
Lassi	98	1
Yoghurt	99	1
Ghee and Butter	100	0
Porridge and Cereal	81	15
Coffee	60	22

Source: Market Intelligence Report

Exhibit D: Reasons for drinking milk

Reasons for Drinking Milk		
 Development	 Healthy Diet & Source of energy	 Beneficial for medicinal efficacy
Physical Development (52%)	Feels good to have healthy diet (52%)	Catalyst for effectivity of medicine (48%)
Beneficial for development of healthy teeth (52%)	Includes calciums and vitamins which strengthen bones (55%)	Neutralizes side effects of medicine (50%)
Helps in mental development (53%)	Meets complete nutritional requirements (53%)	
Enhances internal immunity (54%)	Natural source of energy (53%)	
Helps improve skin, hair, nails (50%)	Provides high energy and strengthens body (51%)	
Necessary to avoid osteoporosis (55%)	Helps in digestion (48%)	
	Acts as a relaxant (50%)	
	Satisfies hunger (44%)	
	Meal replacement (44%)	

Source: Market Intelligence Report

Exhibit E: Popular overall consumption occasions of milk by geographical area

Occasion	Consumption by Geographical Area (%)	
	Rural	Urban
Tea	98	95
Drinking	75	86
Milkshake	15	40
Sweet dish	50	62
Porridge	4	10
Yoghurt	23	15
Coffee	1	8
Lassi	18	13
Ghee and Butter	14	7

Source: Market Intelligence Report

Exhibit F: Socio-Economic Class Characteristics

Occupation of Chief Earner	Education of Chief Earner						
	Illiterate	Less than primary	School 5-9 years	Matric	Intermediate	Graduate	Post Graduate
Unskilled worker	E-2	E-2	E-1	E-1	D	D	C
Petty traders	E-2	E-2	E-1	E-1	D	C	C
Skilled workers	E-2	E-2	E-1	D	D	C	C
Non-executive staff	E-2	E-2	D	D	D	C	C
Supervisory level	D	D	C	C	B	B	B
Small Shopkeeper / Businessman	D	D	C	C	B	B	A-2
Lower/Middle executive officer	D	C	C	C	B	B	A-2
Self-employed, employed, professionals	B	B	A-2	A-2	A-2	A-1	A-1
Medium scale businessman	B	A-2	A-2	A-2	A-2	A-1	A-1
Senior executive officer	B	A-2	A-2	A-2	A-1	A-1	A-1
Large scale businessman	A-2	A-2	A-2	A-1	A-1	A-1	A-1

Exhibit G: Overall Consumption and SEC breakup

Average Daily Household Milk Consumption (Liters)			
SEC	Rural	Urban	Average
A	2.61	2.26	2.39
B	2.39	1.94	2.12
C	1.96	1.84	1.89
D	1.75	1.6	1.67
E	1.45	1.33	1.35

Source: Market Intelligence Report

Exhibit H: Psychographic Segmentation

Segment	% of Total Population	Geography	SEC	Important Attributes for Decision	Lifestyle	Consumption
Traditional Rural Females	27%	Rural	C, D, E	Price	Follows Old Traditional Values and Culture	Loose Milk (94%), UHT (19%), Tea Whitener (23%)
				Availability	Not Attracted to New Products	Tea (98%), Drinking (69%), Desserts (48%), Milkshake (16%), Lassi (16%), Yoghurt (14%)
				Freshness	Mostly Do Not Watch Television	Milk Drinking - 94% Loose Milk
Go-Getters Urban Females	23%	Urban	A, B	Freshness	Brand Loyal Celebrates Religious and Cultural Events	Loose Milk (87%), UHT (43%), Tea Whitener (34%)
				Good Cup of Coffee	Follows Fashion/Trend Does Not Workout Does Not Prefer Home Remedies for Illness	Tea (98%), Drinking (79%), Desserts (75%), Milkshake (27%), Lassi (13%), Yoghurt (15%)
				Good Taste - Drinking		
				Longer Shelf Life	Watches TV - Daily Drama and News Channels Wide Use of Internet	Milk Drinking - 10% UHT, 3% Powdered, 7% Flavored
Young Enthusiastic Guys	20%	Urban	A, B	Pure/Natural	Exercises Regularly Often Consumes Fast Food Spends More Time with Friends Than With Family	Loose Milk (91%), UHT (39%), Whitener (30%)
				High	High Internet Usage Does Not Believe Unbranded Products are of Same Quality as	Tea (97%), Drinking (87%), Desserts (57%), Milkshake (52%),

				Nutritional Value	Branded Products	Lassi (29%), Porridge (24%), Yoghurt (31%), Coffee (17%), Ghee and Butter (18%)
					Does Not Follow Traditional Values	
				Helps in Making Bones Stronger	Does Not Take Own Decisions Usually Does Not Prefer Home Remedies for Illness	Milk Drinking - 86% Loose Milk, 10% UHT, 7% Flavored
					Frequently Watches Television (News and Sports)	
Habitual	19%	Urban	C,D,E	Pure/Natural	Celebrates Religious and Cultural Events	Loose Milk (88%), UHT (39%), Whitener (35%)
				Price	Prefers Home Remedies for Common Illness	Tea (98%), Drinking (82%), Desserts (47%), Milkshake (30%), Lassi (13%), Yoghurt (17%), Ghee and Butter (10%)
				Availability	Not Attracted to New Products	
					Watches TV - Daily (Sports, Music and News)	Milk Drinking - 83% Loose Milk, 8% UHT, 7% Flavored
					Daily Use of Internet on Mobile	
Non-Conformist Rural Females	11%	Rural	D,E	Pure/Natural	Travels to Big Cities for Shopping on Special Occasions	Loose Milk (93%), Whitener (19%)
				Freshness	Does Not Follow Traditional Values	Tea (100%), Drinking (72%), Desserts (65%), Milkshake (25%), Lassi (18%), Yoghurt (19%), Ghee and Butter
				Does Not Have	Mostly Do Not Watch Television	

a Bad Smell

(14%)

Does Not Use Internet

Milk Drinking -
86% Loose Milk,
1% Powdered Milk

Exhibit I: Television Advertisements

Brand	Year	Tagline	Main Idea / Theme	URL
Nestle MilkPak	Unkown	"Sehat Sahulat Saath Saath" (Health and Convenience Together)	This is one of the vintage advertisements of MilkPak, in which the key idea is that MilkPak is pure and natural (healthy) and it provides convenience to consumers at the same time	https://www.youtube.com/watch?v=y2dBgHjabtY
		"Khaalis" (Pure)		
	2009	"Banaye Mazboot Gharana" (Makes Stronger Household)	MilkPak's rich nutrients, especially iron content, makes consumers (not specific to age) stronger	https://www.youtube.com/watch?v=U7vxLY5Rszk
	2011	"Banaye Mazboot Gharana" (Makes Stronger Household)	Aimed at healthy and active lifestyle, this advertisement reinforces the benefits of rich iron content in MilkPak	https://www.youtube.com/watch?v=MWzHUd01eN0
	2012	"Banaye Mazboot Gharana" (Makes Stronger Household)	This advertisement capitalizes on the virtues of trust and strong relations within families to reinforce how MilkPak makes families or households stronger	https://www.youtube.com/watch?v=4hy2J2WCNew
	2012	"Banaye Mazboot Gharana" (Makes Stronger Household)	To achieve bigger goals in life, one needs good health - which comes from MilkPak	https://www.youtube.com/watch?v=mf5DzYOnEqc
	2012	"Banaye Mazboot Gharana" (Makes Stronger Household)	To achieve bigger goals in life, one needs good health - which comes from MilkPak	https://www.youtube.com/watch?v=zAfz6Lql9sk
2013	Pakistan Safe Milk Movement	Consumers share what kind of milk would they like to consume. Some of the respondents' mention - Fresh, Odorless, Tasty, and Affordable. However, according to the advertisement, not all such milk is "Safe" to consume, and that safety is ensured by MilkPak. MilkPak encourages consumers to think before making a choice	https://tune.pk/video/2672376/nestle-MilkPak-tvc-2013-featuring-anwar-maqsood-pakistan-safe-milk-movement	

	2015	"Khaalis Hee Sub Kuch Hai" (Purity is Everything)	The act of buying milk without thorough research or thought is compared to crossing a road blindfolded. MilkPak reinforces how it is safe to consume, especially owing to its four-layer protected packaging	https://www.youtube.com/watch?v=JaFKSgZqH9o
Olper's (Engro)	2006	"Subha Bakhair Zindagi" (Good Morning Life)	The advertisement shows a family that starts its regular morning activities with Olper's milk. The drinking of milk and preparation of morning tea is evident	https://www.youtube.com/watch?v=APsHsW9r1Zg
	2006	"Subha Bakhair Zindagi" (Good Morning Life) Part of launch campaign	Portraying a strong and positive image of a female (mother / wife) within a family's context, the advertisement shows strong cultural and family values. It also uses the celebration of cultural and national festivals to create a strong link with local culture	https://www.youtube.com/watch?v=5R-9UFWx-Es
	2009	Ramazan Campaign	Casting Atif Aslam, a local pop singer, and showing strong connection with Muslims, this advertisement displays religious values among Muslims	https://www.youtube.com/watch?v=nONXdP6T3pc
	2010	Ramazan Campaign	Launched as part of Ramadan campaign, this advertisement showed acts of kindness towards under privileged community members (sharing) and towards animals (protecting). The advertisement also tries to show how religious values of Muslims across the globe (UAE, Pakistan and Malaysia) are not different	https://www.youtube.com/watch?v=kaU-MQTfYWY
	2014	Launch of 250 ml SKU	The advertisement shows young females who clearly highlight the advantages of the new packaging and SKU of 250 ml pack, which can easily be stored, opened and used hassle free	https://www.youtube.com/watch?v=gZ0vfqs0cB8
Haleeb	1998	"Chai Banaye Khoob Haleeb" (Haleeb Makes Good Tea) "Sab Say Garha Doodh Haleeb" (Haleeb is the Creamiest/viscous Milk)	This short advertisement depicts how Haleeb makes the best tea because of the fact that it is viscous	https://www.youtube.com/watch?v=On72SOxhlcs

1998	"Chai Banaye Khoob Haleeb" (Haleeb Makes Good Tea) "Sab Say Garha Doodh Haleeb" (Haleeb is the Creamiest/viscous Milk)	A female is shown visiting a friend/relative at tea time, who drinks the tea and remarks how non-viscous milk does not help in preparation of good tea. Hence, she takes out Haleeb from her shopping bag, another batch of tea is prepared, and the hosts like this one better. Viscosity of Haleeb and how it makes the best tea is highlighted here	https://www.youtube.com/watch?v=J2i4Vn5WIXo
1999	Launch of Pouch Pack "Ab Socho Nahi, Apnao" (Don't Think, Embrace)	The advertisement casts Indian Filmstars (Vivek Oberoi and Ayesha Takia), who are discussing how to make the tea better. Within the same advertisement, Haleeb's new pouch pack is introduced and the fact that Haleeb makes best tea is highlighted	https://www.youtube.com/watch?v=g3E583hFpwY
2003	"Ek Garha Rishta Umr Bhar Ke Liye" (A Strong/Thick/Deep Relation for All Your Life)	With a wedding scene, this advertisement capitalizes on strong family values and how celebrating an occasion becomes more delightful with Haleeb. Preparation of tea, sweet dish and drinking of milk is clearly shown in the advertisement.	https://www.youtube.com/watch?v=MjZWTqO_JbM
2004	"Ahtaram-e-Ramadan" (Respected Ramadan)	This advertisement capitalizes on the occasion of the month of Ramadan and how everyone respects the month by following the religious teachings. In this context, Haleeb brings a price reduction announcement to play its part	https://www.youtube.com/watch?v=khjXUrB1504