MARKETING PLANNING IN THE MIDDLE EAST

Case: Fleur de Lys

Abstract

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Abstract

Today marketing is an essential part of any business. It is especially important for companies operating in a highly competitive environment, as is the case company operating in the beauty industry, in the Middle East. This thesis aimed at developing suggestions for Fleur de Lys beauty salon in Lebanon, which faced difficulties in attracting customers and generating sales.

The author applied a deductive research approach and a qualitative and quantitative research methods. Secondary data was gathered through different reliable sources both printed and electronic. Primary data was collected from a questionnaire.

In this research, the SOSTAC® planning model was employed. The author also conducted several analyses such as PEST, Porter's Five Forces and used STP and Marketing Mix theories in order to support the SOSTAC® planning model. The author also utilised SWOT analysis in order to summarise the findings.

Findings from this research showed that the beauty industry in the Middle East is highly competitive. However, there are several opportunities for the case company. Among them are introducing halal services, special packaging and online advertisement.

CONTENTS

1 INTRODUCTION

This chapter presents the thesis topic to the reader. The chapter starts with an explanation of the author's motivation for this research and the idea behind it, followed by specific research goals, questions and limitations. Theoretical framework part discusses theories which were used in the following study. In the next subsection, there is an overview of the main research and data collection methods. It ends with an explanation of the thesis structure.

1.1 Thesis Background

According to Kotler P. marketing is *"the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return".* This term includes advertising, researching, pricing, communicating and many other activities associated with selling. Marketing plays a crucial role in many organisations, but it is especially important for companies operating in a highly competitive environment such as the beauty industry. (Kotler & Armstrong 2014, 27.)

The popularity of the beauty industry in the Middle East is continually growing as well as competition in this field. Every year new products and services are invented, new salons are opened. In the Middle East, many additional factors affect a customer's decisions. Among them are social concerns and religious beliefs. (Ahmad 2018; IstiZada 2018.)

The case company, Fleur de Lys, is a new beauty salon in Lebanon. Since its opening in June 2018, the salon faced many challenges such as difficulties with attracting customers, tight competition and absence of sales. The salon's owner addressed the author with the request to create a marketing plan, which could solve the above mentioned issues.

1.2 Thesis Objectives, Research Questions and Limitations

This thesis aims to complete a study about the current situation in the beauty industry in Lebanon and provide the case company with a marketing plan that could be used for increasing company's awareness, attracting new customers and as a result generating sales.

In a research, it is important to define research questions that will guide the author and readers through the research. Each research question should be well-formulated and clear since it serves as a foundation for a thesis. (Maylor & Blackmon 2005, 79.) In this study, the main research question is:

What marketing activities should the case company implement to generate sales?

Main research questions usually are too broad to answer them directly. To define focus points in the main research question and to answer it entirely, the author has set up the following sub-questions:

1. What is the current situation with the beauty industry in Lebanon?

2. What kind of marketing strategies do the case company's competitors use?

3. What are the target customers of the case company?

4. What target customers of the case company demand?

5. What is the best marketing planning model for the case?

There are limitations in each thesis. Limitations may be restrictions to one geographical location, size of a sample, nature of the research and many others. (Saunders, Lewis & Thornhill 2014, 538.) First, this study can be applied precisely to the case company only. However, it is possible to use this thesis as a preliminary marketing guide for beauty companies in the Middle East. Secondly, there is a deficit of available data or prior research about marketing and the beauty industry in Lebanon. Thence the author utilises some information about the Middle East since all countries in the region have comparatively similar culture.

1.3 Theoretical Framework

The author utilises several marketing theories in order to answer the research question. First, it is essential to understand what a marketing plan is, why it is essential for a business and how it could be implemented. Therefore, in Chapter 2, the author introduces a marketing plan concept and the SOSTAC® planning model. For a better understanding of the SOSTAC® model, the author describes its components such as PESTEL analysis, Porter's Five Forces analysis, competitor analysis, company objectives, STP framework, marketing mix, KPIs and action plan.

Chapter 3 focuses on the beauty industry in the Middle East. The author describes the current situation basing on researches and opinions of digital marketing experts, agencies and universities in the Middle East.

1.4 Research Methodology and Data Collection

There are two main research approaches in the business field: deduction and induction. In the deduction approach, research starts with a theory derived from a literature review and

then it is tested in order to verify or falsificate it. Collected data is used to evaluate propositions of a theory. The underlying logic of this approach is when propositions are right, the conclusion is also right. Induction is an opposite approach to a deduction. In the induction approach, a theory is drawn from a collected data. The underlying logic of this approach is when known premises are used to generate untested conclusions. (Saunders et al. 2012, 144.) The author uses the deduction approach because information is retrieved from secondary sources and then it is tested.

When the research approach is defined, a methodological choice between quantitative and qualitative research should be made. Quantitative research deals with data presented in numbers. Precise findings are analysed using different statistical techniques. Qualitative research deals with data presented in words and their meanings. (Sauders et al. 2012, 162-163.) For this thesis, the author utilises a mixture of qualitative and quantitative research methodologies. The owner of the case company describes the situation with the salon and the industry. The author applies the qualitative methodology to proceed with this data. As for quantitative methodology, the author designs the survey about customer behaviour and retrieves numerical data.

Next step of a research is to define data collection strategies. There are two types of data: primary and secondary. Primary data are originated by a researcher, while secondary data have already been collected. Each data source has its advantages and disadvantages. Primary data is precise since it is collected for the problem at hand, but it is time and effort-consuming. Secondary data can be collected quickly and easily, but it is not that precise as primary data. (Malhotra 2007, 106.) For this research, the author utilises both sources of data. Primary data is collected from a questionnaire. Secondary data is collected from the desk reearch.
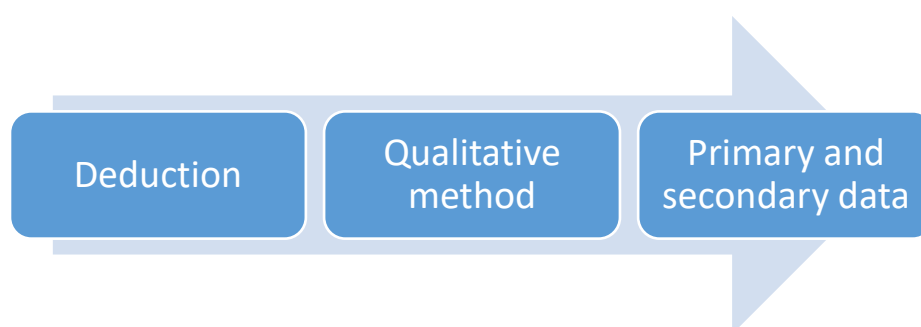

Figure 1 Research Methodology

As Figure 1 shows, the author uses a deductive approach, qualitative method of research and collects primary and secondary data.

1.5   Thesis Structure

This thesis includes eight chapters, as presented in Figure 2.

Introduction

Theoretical Framework of Marketing Plan	
Marketing Plan	SOSTAC®

Overview of the Beauty Industry in the Middle East	
Marketing in the Middle East	The Beauty Industry in Lebanon

Overview of the Case Company		
Company Overview	Competitors Overview	Porter's Five Forces

Empirical Research		
Research Design	Data Collection	Data Analysis

Marketing Plan for the Company	
SOSTAC®	SWOT

Conclusions		
Answers to the Research Questions	Validity and Reliability	Suggestions for Further Research

Summary

Figure 2 Thesis Structure

The first chapter of this thesis provides the reader with a brief introduction to the thesis including the explanation of the topic, thesis objectives, theoretical framework, research methodology and thesis structure. The second chapter describes, in detail, theories and concepts used in this thesis such as a marketing plan and the SOSTAC® planning model. The third chapter provides an overview of the beauty industry in the Middle East. The fourth chapter introduces the case company and its competitors. The fifth chapter contains suggestions for the case company presented as the SOSTAC® model. The sixth chapter gives answers to research questions, the validity of the thesis and suggestions for further research. The thesis ends with a summary.

2   THEORETICAL FRAMEWORK OF MARKETING PLAN

This chapter provides a theory about a marketing plan, its definition and importance. It also introduces the SOSTAC® planning model and describes its components.

2.1   Definition of Marketing Plan

Kotler and Armstong (2014) state that every business needs a detailed marketing plan. A marketing plan outlines specific actions that need to be taken in account in order to achieve a company's goals.

As presented below (Figure 3) a marketing plan includes the following parts: executive summary, current marketing situation, threats and opportunities, objectives and issues, marketing strategy, actions programs, budgets and controls.

Executive summary

Current marketing situation

Threats and opportunities

Objectives and issues

Maketing strategy

Action programs

Budgets

Controls

Figure 3 Contents of a Marketing Plan (adapted from Kotler & Armstrong 2014, 79)

The executive summary presents the main points of a marketing plan to help managers find a focus. The current marketing situation includes an overview of a market and a company's position in it. The threats and opportunities part describes different factors, which may influence a company. The next part defines marketing objectives and discusses possible issues with achieving them. The marketing strategy part explains how to create a value for customers. It also gives answers on how to avoid the earlier

mentioned issues and threats. The action programs part is a precise plan of actions answering such questions as "What?", "Who?", "How?". The budget part includes expected costs, revenue and profit of marketing activities. The last part outlines how to control and measure an implementation and results of suggested marketing activities. (Kotler & Armstrong 2014, 79.)

2.2 Importance of Marketing Planning

There are many advantages to marketing planning. First, like any other planning it discourages businesses from impulsive actions and ineffective initiatives and as a result, saves funds. (Asadi 2015.) Moreover, it simplifies a process of getting funding, since investors always seek for a detailed description of a business person's intentions. It also helps to get a balanced and complete overview of the business, since it involves analysing external and internal factors of a company. Through defining goals and setting up measurements, it helps to control a business. (Dyess 2015.) There are many other advantages, but one point is clear: marketing planning is essential for running a successful business.

2.3 The SOSTAC® Planning Model

One of the ways to start with marketing planning is the SOSTAC® planning model. The SOSTAC® model was developed in the 1990s by Paul Smith and it stands for Situation, Objectives, Strategy, Tactics, Action and Control. (Chaffey 2016.)

Figure 4 The SOSTAC® Planning Model (adapted from Smith 2011)

The chart presents all of the SOSTAC® model components. The following subchapters discuss each component in detail.

2.3.1 Situation

The SOSTAC® model starts with a situation analysis, which intended to provide an overview of a current position of a company. A company's marketing environment consists of different factors affecting its ability to serve customers. The marketing environment is divided into microenvironment and macroenvironment. The microenvironment consists of close to company factors like suppliers, intermediaries, competitors, public and customers. The macroenvironment includes larger social factors like demographic, economic, natural, technological, political and cultural. (Kotler & Armstrong 2014, 93-96.)

The Porter's Five Forces model helps to analyse a microenvironment of a company. This model focuses on five main forces: the threat of new entrants, threat of substitute products, bargaining power of suppliers, bargaining power of customers and rivalry within the industry. (Porter 1979.)

Figure 5 Porter's Five Forces (adapted from Porter 1979)

There is the threat of a new entry when it is easy to open a new company without following special regulations and finding substantial investments. It means that an industry has low entry barriers and may lead to high competition. The threat of substitute products means that there are alternative products or services in an industry. The bargaining power

of customers deals with customers able to decrease prices. The bargaining power of suppliers signifies how easily suppliers could increase prices. (Porter 1979.)

A PEST analysis provides an overview of a macroenvironment by collecting information about the main external factors affecting any business. PEST stands for Political, Economic, Social and Technological. (Oxford college of marketing 2018.)

P	• Political
E	• Economic
S	• Social
T	• Technological

Figure 6 A PEST Analysis (adapted from Oxford college of marketing 2018)

To sum up this subchapter, the situation analysis may be done by examining the micro and macroenvironment of a business. Main tools designed for that are Porter's Five Forces and PEST analyses.

2.3.2 Objectives

The next step of the SOSTAC® planning model is to define the objectives of a company. Kotler and Armstrong state that *"an organisation exists to accomplish something, and this purpose should be clearly stated".* Therefore, every company needs a mission statement, which is, in other words, a statement of purpose. A mission statement should be market-oriented, focused on a customer and meaningful. When the mission statement is formulated, it is time to turn it into supportive objectives for each management level. (Kotler & Armstrong 2014, 63-64.)

Each objective should be SMART, which stands for Specific, Measurable, Achievable, Realistic, Time-framed. Specific means that objectives should be clearly defined. Measurable implies that objectives are obtainable, and it is possible to measure them. Achievable signifies that objectives are agreed. Realistic criteria deal with the availability of resources to achieve objectives. Last but not least is time-framed, which means that there is enough time to achieve objectives. (Maylor & Blackmon 2005, 32.)

2.3.3 Strategy

When objectives are defined, the next step is to choose a strategy. A marketing strategy is a logic by which a company hopes to create a value for customers and establish profitable

relationships with them. It is difficult to serve all kinds of customers, so a company needs to divide the whole market into customer segments, choose appropriate segments and profitably position itself. This process is known as the STP model. STP stands for segmentation, targeting and positioning. (Kotler & Armstrong 2014, 72.)

Figure 7 SPT Model (adapted from Kotler & Armstrong 2014, 72)

The market segmentation is a process of dividing the whole market by different groups of customers. The segmentation may be done based on geographic, demographic, psychographic and behavioural factors. The market targeting is a process of evaluating segments and choosing the most appropriate ones. Depending on resources available, a company may choose a few or many segments to serve. When desired segments are chosen, a company should position itself by differentiating among competitors. (Kotler & Armstrong 2014, 73-75.)

Figure 8 Perceptual Map
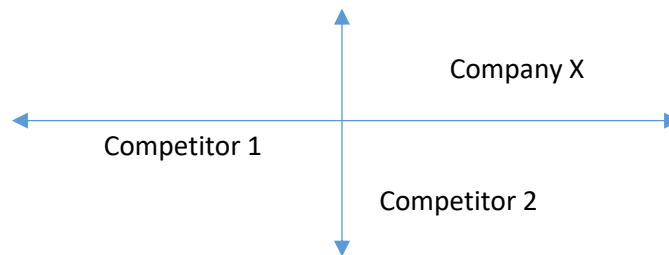
A perceptual map, Figure 8, is an illustrative tool used for identifying company positioning. Both axes represent essential characteristics of a product. Depending on these characteristics, companies are located in the scheme. (Kessler 2010.)

2.3.4 Tactics

The next step of the SOSTAC® model is choosing tactics. One of the most known tactical tools is Marketing Mix or 4Ps presented below.
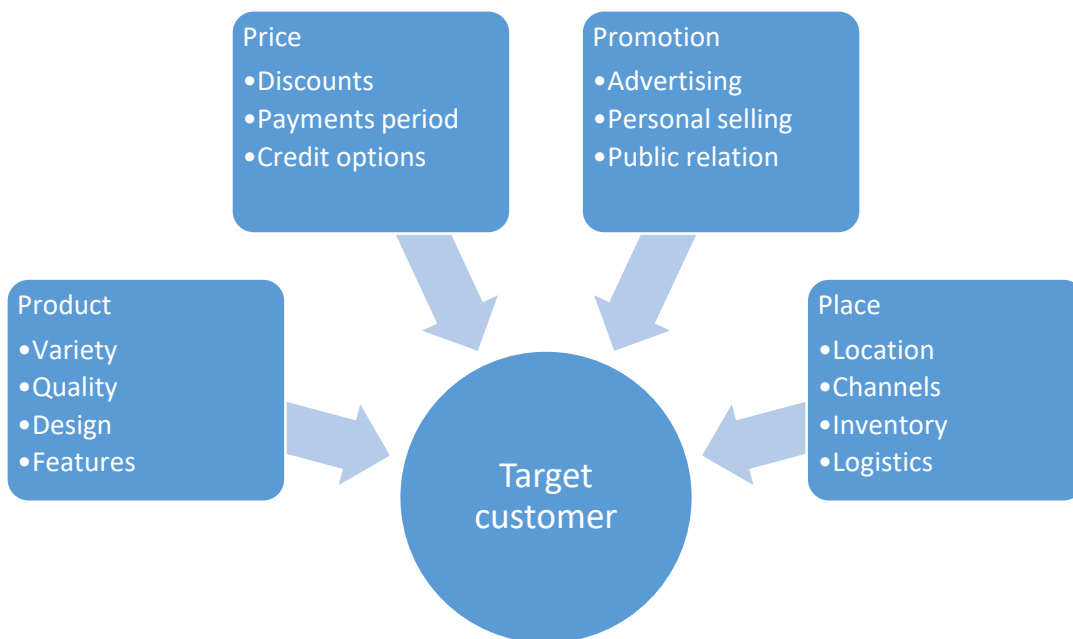
Figure 9 Marketing Mix (adapted from Kotler & Armstrong 2014, 76)

It is used to create the best practices for targeted customers. The product part deals with a product or product line, its features, branding and quality. The price part includes not only selling price itself, but also possible discounts, credit and payments terms. The promotion refers to advertising and selling a product, and public relations. The place part raises such topics as distribution channels, location and logistics. (Kotler & Armstrong 2014, 76.)

Nevertheless, the 4Ps model is company oriented. It focuses on selling, while customers seek a value. For this reason, the 4Cs model (Table 1) was developed. It is customer centered and includes the customer solution, customer cost, convenience and communication. (Kotler & Armstrong 2014, 76.)

Table 1 4Cs Model (adapted from Kotler & Armstrong 2014, 76)

4Ps	4Cs
Product	Customer solution
Price	Customer cost
Place	Convenience
Promotion	Communication

Kotler and Armstrong recommend thinking about the 4Cs first and then create the 4Ps model (Kotler & Armstrong 2014, 76).

2.3.5   Action

The action part of the SOSTAC® model implies a detailed action plan with assigned responsibilities, defined processes and resources. Creating a clear schedule allows controlling business accurately, which leads to the following part. (Chaffey 2016.) A popular tool for showing activities is a Gantt chart.

Table 2 Gantt Chart Example

Activities	Week 1	Week 2
Activity 1	X	X
Activity 2	X	

Activities listed on the left side of the graph. On the top is a suitable timescale. (Gantt 2018.)

2.3.6   Control

Many unexpected events occur during the implementation of an action plan. Controlling marketing performance is essential. After setting up specific objectives and goals, it is needed to set up Key Performance Indicators or KPIs. KPIs are quantifiable measures used to determine performance concerning goals. The next step is to monitor progress and compare actual results with expected. If they differ, a marketing manager should act correspondingly. (Kotler & Armstrong 2014, 81-83.)

There are many important KPIs for marketing such as a retention rate, cost per lead, conversion rate and others. One of the most important KPIs for marketing is Return on Investment or ROI, which is calculated by dividing net return by amount of investments. To maintain and control all KPIs many companies assembling dashboards. (Kotler & Armstrong 2014, 81-83.)

To sum up this chapter, marketing planning is significant for running a successful business. The SOSTAC® planning model covers all areas of a marketing plan. Moreover, it is easy to read and follow.

3   OVERVIEW OF BEAUTY INDUSTRY IN THE MIDDLE EAST

This chapter gives an overview of the beauty industry in the Middle East. First subchapter describes features of the Middle East, which could affect marketing. The second subchapter focuses on the beauty industry in Lebanon by describing its macroenvironment.

3.1   Marketing in the Middle East

The Middle East has been developing rapidly especially in the past two to three years. It is being influenced by Western and American trends regarding e-commerce and entrepreneurship. However, the marketing field is growing quite slowly, so there are not many tips concerning marketing in the Middle East. (Ahmad 2018.)

3.1.1   Culture and Religion

One thing that characterises customers' behaviour in the Middle East is social concerns. People usually base their buying decisions on recommendations of their family and friends. Therefore, it is essential to form a group of loyal customers. (Ahmad 2018.)

Since most buyers tend to buy only recommended products, it is not a common practice to read and compare product characteristics. In consequence, the society lacks standards. It is recommended to create a clear statement representing a product instead of writing long product descriptions. (Ahmad 2018.)

Another critical factor to consider is religion. Religion guides people in their everyday duties, decisions, behaviour and other aspects of life. There are three main Islamic holidays: the holy month of Ramadan, Eid al Fitr and Eid al Adha. During the whole month of Ramadan people fast from sunrise to sunset, pray a lot and spend more time with their loved ones. In the evenings, families gather together to break their fast. Eid al Fitr is the last day of Ramadan. People usually celebrate it by exchanging gifts, wearing fancy clothes, going to restaurants. Another religious holiday is Eid al Adha when people celebrate sacrifice and devotion. People also dress up and gather together. Therefore, most companies commercialise these holidays by offering exclusive products, discounts and promotions, just like Western companies do in the Christmas period. (Lundt 2018.) A great example of such advertising is illustrated below.
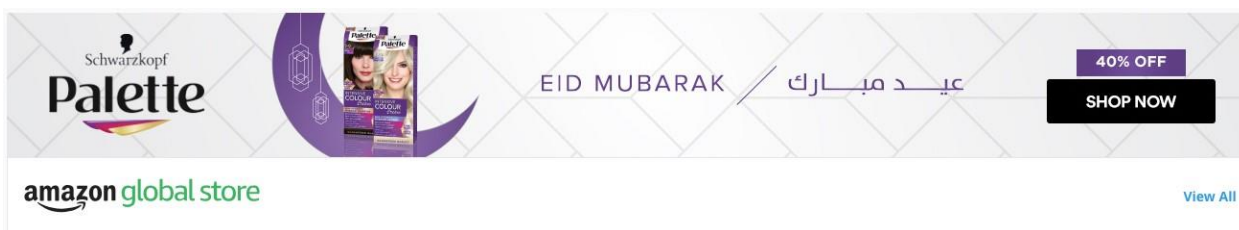
Image 1 Promotion of Schwarzkopf Products for Eid (retrieved from Amazon store 2018)

Usually, these advertisements include greetings and holiday symbols such as moon, dates and lanterns (Lundt 2018).

As was mentioned earlier, religion also guides people in their daily choices. One of the Islamic guidelines is consuming halal products. Halal is an Arabic word, which refers to products or actions permissible in Islamic rules. Companies need to obtain special certification to mark their products as Halal. In return, companies get a good reputation and a larger market share. (Halal Certification Authority 2018.) A market of halal cosmetics grows by 12% every year. Halal cosmetic products are produced without several forbidden ingredients and animal testing. (Halal International Authority 2018.)

Muslim women have to complete a purification ritual before praying. The purification ritual is washing arms and hands. Therefore, many women stopped using nail polish. Recently halal nail polishes were invented. They let water and air pass, so hands can be washed appropriately. (Halal International Authority 2018.)

To sum up this sub-chapter the case company should consider social concerns and create a base of loyal customers. The company should also create clear statements representing their services. As for the religious concerns, Fleur de Lys should promote manicure with halal nail polish and consider introducing other services with halal cosmetics. Moreover, it should advertise actively before and during religious holidays.

3.1.2   Social Media Usage

According to the survey performed by Northwestern University of Qatar internet penetration and social media usage are continually growing in the Middle East. Due to the demography of the region, almost half of the population are people under 25 years old. Young segment actively uses social media creating opportunities for social media marketing. Most popular social media platforms are WhatsApp, Facebook, Instagram, YouTube and Snapchat. (Northwestern University of Qatar 2017.)

Image 2 Social Media Usage in the Middle East (retrieved from Northwestern University of Qatar 2017)

Instagram plays an especially important role in the Middle East. Many Arab social influencers are promoting different goods and services on Instagram. (Lundt 2018.)

Due to the increasing popularity of social media, the case company should communicate with potential customers where. Fleur de Lys should consider buying advertisement from local social influencers.

3.2   Overview of the Beauty Industry in Lebanon

Beauty products and services have massive demand in the Middle East. The region has the highest spendings on cosmetic per capita, and the number is still growing. (Ahmad 2018.)

3.2.1   PEST Analysis for the Beauty Industry in Lebanon

The author performs PEST analysis for better understanding of the macroenvironment of the industry, which is presented in Figure 10.

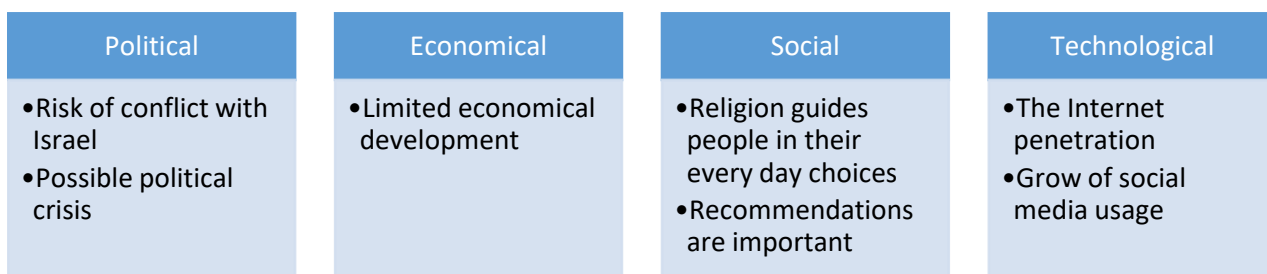| Political	Economical	Social	Technological
•Risk of conflict with Israel •Possible political crisis	•Limited economical development	•Religion guides people in their every day choices •Recommendations are important	•The Internet penetration •Grow of social media usage

Figure 10 PEST Analysis for the Beauty Industry in Lebanon

Political

Lebanon is a parliamentary republic. The political situation is quite fractious. There is a risk of conflict with Israel due to Iran's influence on Lebanon. Taxes are slightly increasing but remain low compared with Europe. (Country report Lebanon 2018, 4.) This means that the case company should be aware of the possible political crisis.

Economical

The region's oil liquidity positively impacts the country's economy. However, the war in Syria forces local companies to find new ways of exporting goods. Combined with the political uncertainty and tax changes, it limits the country's economic development. GDP is expected to rise to 2.1% in 2018. (Country report Lebanon 2018, 4.) Due to the slow economic development, the case company should be prepared for slow growth rates of its business as well.

Social

As has been mentioned in the previous chapter, social factors influence the case company a lot. In Lebanon, people mainly visit beauty salons before main celebrations such as weddings and religious holidays. Weddings are usually held during summertime. In 2018 the holy month of Ramadan starts on 5th of May and lasts until 4th of July. It is an appropriate time for the company to increase marketing spendings and offer special promotions.

Technological

Lebanon is among the leading countries in internet penetration in the Middle East. Moreover, 42% of Lebanese use different apps, 90% use WhatsApp, 77% use Facebook and 56% watch YouTube. All of the numbers keep growing. (Northwestern University of Qatar 2017.) This creates a lot of opportunities to advertise their services online.

To conclude this chapter, there are many social and religious factors affecting the beauty industry in Lebanon.

4 OVERVIEW OF CASE COMPANY: FLEUR DE LIS SALON

This chapter introduces the case company. It discusses the company's foundation, services and customers. The second subchapter describes the case company's competitors and how the case company stands out. The chapter finishes with the Porter's Five Forces analysis.

4.1 Company Overview

Fleur de Lys is a beauty salon located in Daraya, Lebanon. Daria Bu-Shakra founded it on 01 of June in 2018. The key idea was to provide customers with exclusive high-quality products and services. The company goals are to increase revenue, attract new customers and increase company awareness by the end of 2019. Initially, the salon was called Proshe Pani, which means welcome in Polish. However, for Lebanese people, it was difficult to pronounce and repeat it. Thus, it was renamed to Fleur de Lys. Among reasons for choosing Fleur de Lys was high per cent of French-speaking people in Lebanon. Moreover, in Lebanon people associate French with the beauty industry. (Bu-Shakra 2018.)

The salon's customers are women between 18 and 45 years old. Daraya is a small town situated 40 km away from Beirut. Muslim people mainly inhabit it, so most of the customers belong to this religion. (Bu-Shakra 2018.)

To attract customers the case company runs social media on Instagram and Facebook. The following picture shows the company's social media pages.
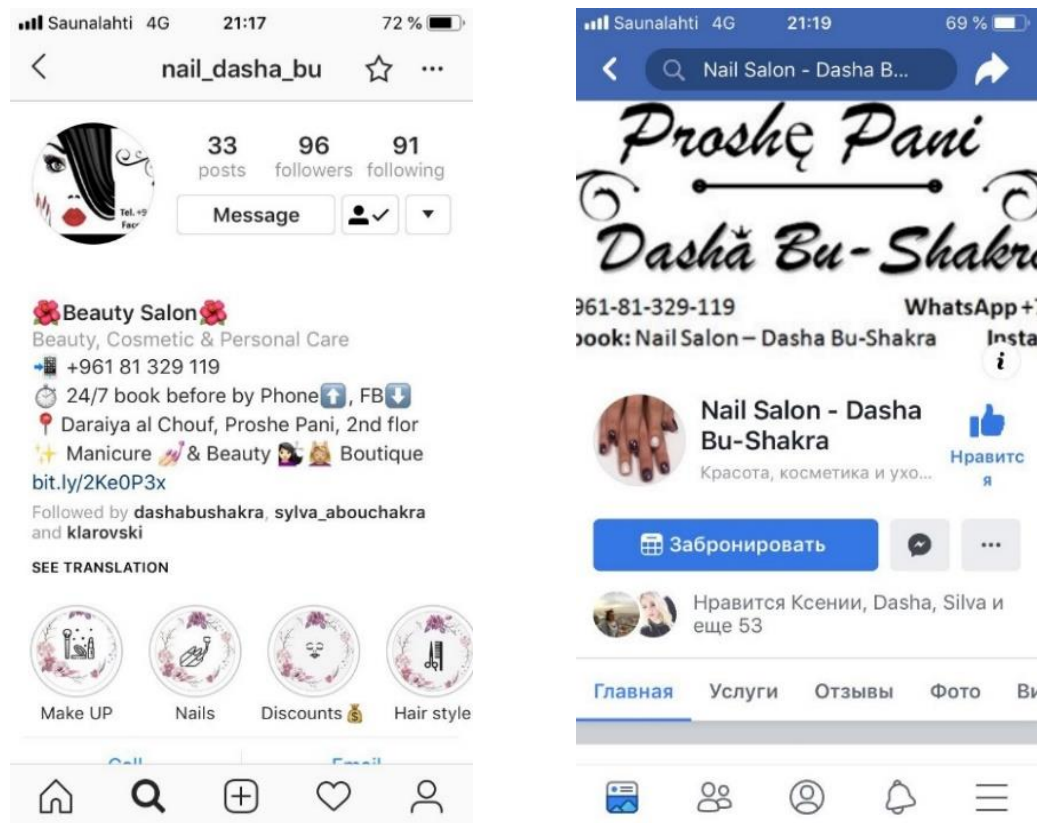

Image 3 Social Media Pages of Fleur de Lys

The picture shows that Fleur de Lys Instagram and Facebook accounts have less than 100 followers, which is quite a small number. There are also several problems such as lack of information and low engagement.

The case company has a wide range of services. It includes a usual manicure and pedicure or gel polish, which lasts longer. Additionally, the owner is ready to introduce manicure with halal polish. The case company also provides customers with basic haircuts, hairstyles, keratin, waxing and makeup. (Bu-Shakra 2018.)

4.2 Company Competitors Overview

As has been mentioned, there is a lack of available information about Lebanon in general and especially about the beauty industry. Therefore, the author had to manually search for competitors by going across Daraya's streets. The table below presents the list of main competitors.

Table 3 Fleur de Lys Competitors

Name	Location	№ of employees	Services	Prices	Information
Fleur de Lys	Daraya	2	Manicure	10$	Located at the main road of Daraya
			Pedicure	20$	It has big area
			Gel polish	30$	No parking place
			Halal manicure	20$	
			Hand spa	5$	It was opened in June, 2018
			Hair cut	20$	Social media pages
			Hair style	10-60$	
			Keratin	30$	
			Make Up	20-30$	
			Waxing	10-30$	
Ladies first	Chehim	5	Manicure	20$	Located at the main road of Chehim
			Pedicure	30$	It has a big area
			Gel polish	35$	2-3 parking places
			Hand spa	5$	
			Hair cut	30$	It was opend in June, 2018
			Hair style	10-70$	Social media pages
			Make Up	35$	
			Waxing	10-40$	
La bella	Daraya	3	Manicure	10$	Main road
			Pedicure	20$	It has comparatevly small area
			Hair cut	30$	The owner (makeup artist) is famous among local girls
			Hair style	10-60$	
			Make Up	35$	It was opened in November, 2018 Facebook page
Rauwa Salon	Daraya	2	Manicure	7$	It was opened 10 years ago and has small area.
			Hair cut	10$	They have the lowest prices and do not use any
			Hair style	10-20$	advertisment
			Make Up	10-20$	
			Waxing	5$	
Beauty style	Daraya	3	Manicure	10$	It was open in November, 2018. It has comparatevly
			Pedicure	20$	small area and 1 parking place.
			Gel polish	25$	They mainly advertise their assortment of beauty
			Hair cut	15$	products and do not focus on beauty services.
			Hair style	10-40$	
			Make Up	20$	
			Selling beauty products	Upon request	
Salon Farah	Daraya	2	Manicure	10$	It has small area and 1 parking place. No advertisment
			Hair style	20$	at all.
			Make Up	20$	
			Waxing	15$	
Ma Ci	Daraya	5	Manicure	10$	It was opened in May, 2017. It has huge area in the
			Pedicure	20$	main shopping mall. Page on fb.
			Gel polish	20$	
			Hand spa	5$	
			Hair cut	20$	
			Hair style	10-40$	
			Keratin	30$	
			Make Up	20$	
			Waxing	30$	
			Lipo massage	Upon request	
			Endermolift	Upon request	
			Solarium	Upon request	
Beauty-waves	Daraya	3	Manicure	10$	It was opened in November, 2017. It has 1 parketing
			Pedicure	20$	place, but location is invisible from the main road.
			Hair cut	30$	
			Hair style	20-50$	
			Keratin	35$	
			Make Up	30$	
			Waxing	20$	
			Tatto	Upon request	
Salon Iman	Daraya	3	Manicure	7$	It was opened more than 10 years ago and therefore is
			Hair cut	10$	well known among locals.
			Hair style	20$	
			Keratin	20$	
			Make Up	10-20$	
			Waxing	10-20$	

As seen from Table 3 Fleur de Lys has a quite wide range of services, but not the widest. The case company differentiates by providing gel polish and keratin since only a few other companies offer them. The main advantage of Fleur de Lys is halal manicure. On the subject of prices, Fleur de Lys has the same price range as competitors. The salon also could benefit by being one of the best locations on the main road of Daraya.

4.3   Porter's Five Forces Analysis

The author performs Porter's Five Forces analysis to overview the microenvironment of the beauty industry in Lebanon. Figure 11 shows the main outcomes of the analysis.
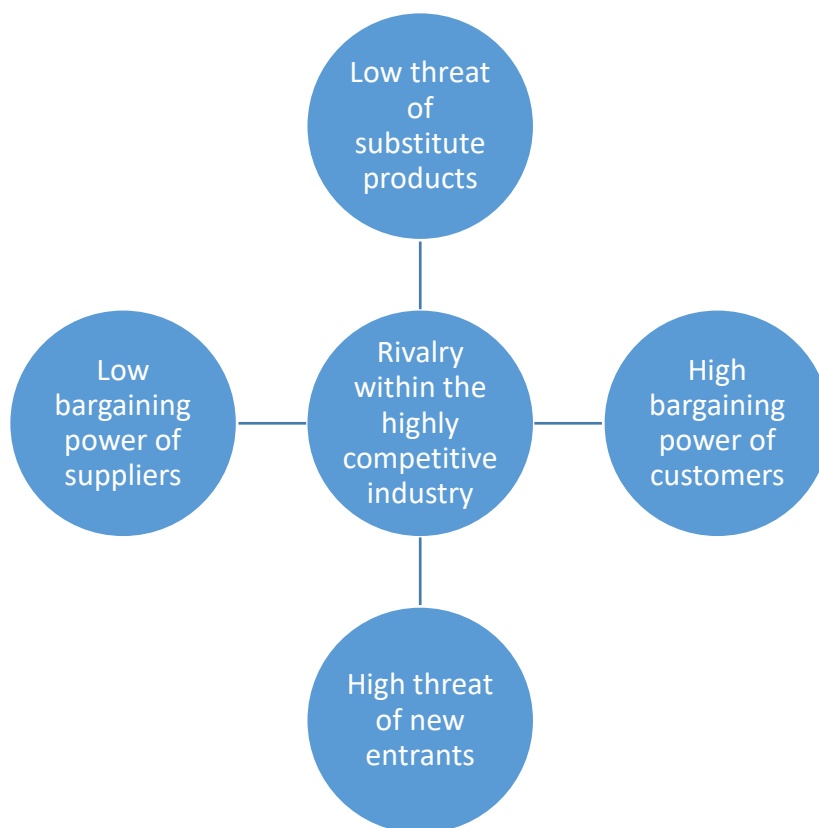

Figure 11 Porter's Five Forces Analysis of the Beauty Industry

High threat of new entrants

The beauty industry in Lebanon has low entry barriers since it does not require special regulations, patents and high initial capital. Moreover, there are plenty of beauty salons in the country. The threat of new entrants is high.

Low threat of substitute products

Currently, the risk of substitute products is low. Generally speaking, there are not many substitutes to the beauty services. Moreover, the case company offers a full range of popular services.

Low bargaining power of suppliers

The market of cosmetics suppliers is vast, so there is the low bargaining power of suppliers.

High bargaining power of customers

Currently, customers have the high bargaining power since all local beauty salons are similar. Additionally, customers tend to bargain for the best price.

Highly competitive industry

The industry is highly competitive since there are a lot of similar size salons like the case company. Moreover, during autumn and winter times the industry growth dramatically slows down due to lack of mentioned occasions for visiting a beauty salon.

Altogether, the Middle East has a challenging environment for beauty salons, but still, there are a lot of potential opportunities.

5 EMPIRICAL RESEARCH

This part describes empirical research, which author completed in order to find out additional information about target customers and answer the main research question. The study was conducted in the form of a questionnaire.

The first subchapter describes the design of the research, which is followed by the data collection methods. The chapter finishes with the data analysis.

5.1 Design of the Research

For collecting primary data, the author designed a questionnaire. The questionnaire aimed at gathering information about customers' behaviour. It included nine questions. Most of the questions were multiple choice or checkbox. The author also added text boxes to allow responders to specify their answers.

The target group of the questionnaire were women at least 18 years old living in Daraya or nearby. The questionnaire was implemented online and did not require to enter any personal data.

5.2 Data Collection

The Gantt chart presented below describes the data collection process, which lasted from September till November.

Table 4 The Gantt Chart with the Data Collection Process

Activity	September 2018	October 2018	November 2018
Collecting theoretical information	X		
Designing the questionnaire		X	
Launching the questionnaire and collecting results		X	
Data analysis & results			X

The thesis writing process started in September 2018 with collecting theoretical information about the best marketing practices and the Middle East market. Due to the previously mentioned lack of reliable information about the beauty industry in the Middle East, the author decided to obtain primary information by creating a questionnaire. In October, the author launched the questionnaire online and collected 25 responses. In November, the data was analysed, and the results were drawn.

5.3   Data Analysis

The first two questions aimed at identifying the demography of respondents (Figure 10). Most of them were women between 18 and 34 years old living in Daraya. It was important to ensure that respondents belong to the target group in order to get relevant results.
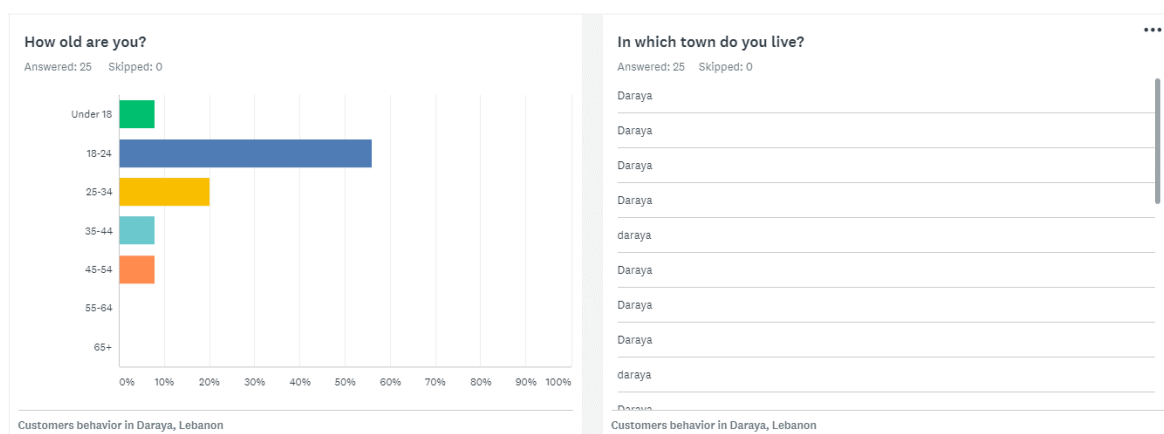

Figure 12 Summary of Responses to Questions 1, 2

Question 3 was the last question for people, who do not visit salons at all (Figure 11). These respondents were asked about the reasons behind that. The respondents mention religion among reasons for not visiting salons.
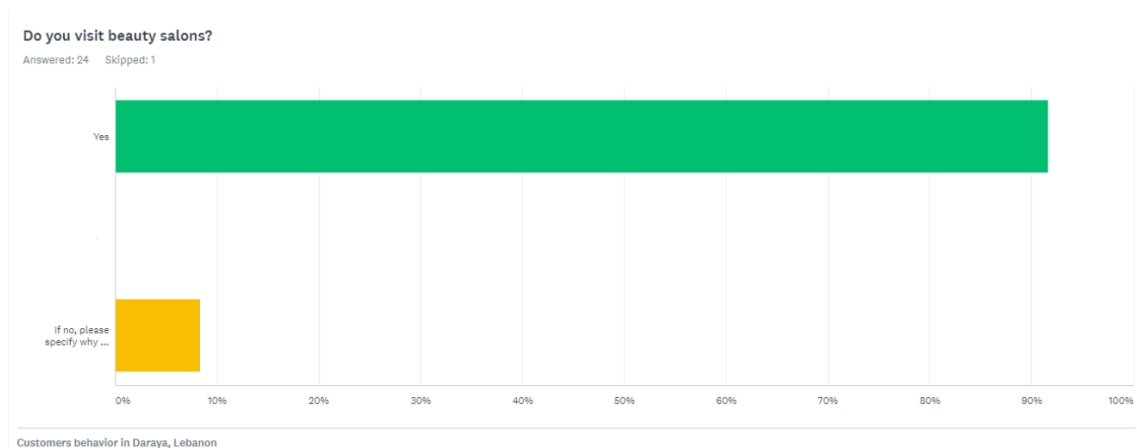

Figure 13 Summary of Responses to Question 3

Next two questions showed the needs and preferences of the respondents (Figure 12). Most of them visit beauty salons once a month or for a special occasion such as a wedding or a party. The most popular beauty services include manicures, different hair services, make up and pedicures. Only a few respondents chose a massage or solarium, while special text box available for additional comments remained empty. Therefore, there is no need to expand the range of services by adding massages and solarium as competitors do. There is no demand for these services.
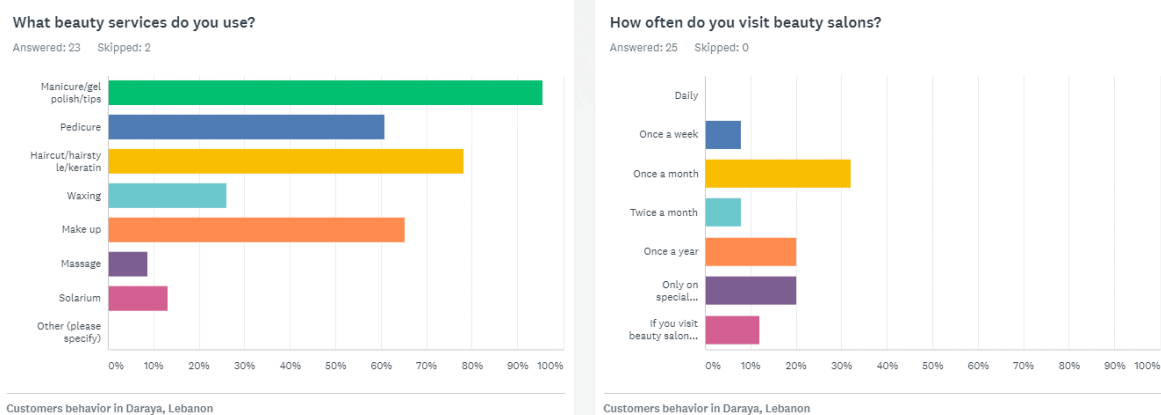
Figure 14 Summary of Responses to Questions 4, 5

The author created questions 6 and 7 in order to understand how much the respondents are willing to pay for certain beauty services (Figure 13). Manicure and haircut are the most popular services, so they were chosen as examples.
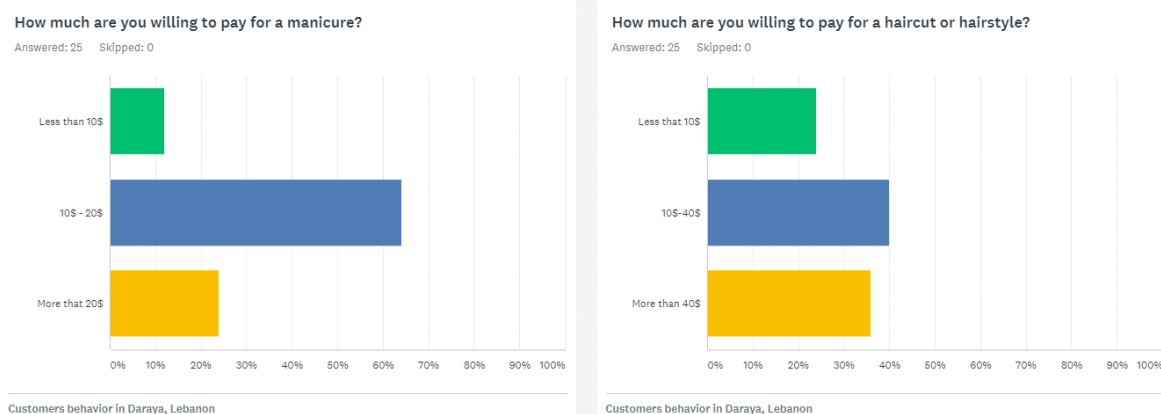
Figure 15 Summary of Responses to Questions 6,7

The figure above shows that the respondents are willing to pay between 10$ - 20$ for a manicure and 10$ - 40$ or even more for a haircut. Thus, the case company has affordable prices.

The last two questions represent the customers' behaviour and market leaders (Figure 14). Most of the respondents are ready to visit a new salon instead of their favourite ones if it has special promotions or services. Moreover, the last question showed that Fleur de Lys is the most known salon in Daraya, followed by Ladies First, Rauwa Salon and Salon Imam.

Figure 16 Summary of Responses to Questions 8, 9

To sum up this chapter, all the collected data showed that the case company has a lot of opportunities for growing. It is already well known among local people and offers all demanded services for affordable prices.

6   MARKETING PLAN FOR THE COMPANY

In this chapter, the author utilises all the information gathered during the research. This chapter aims to answer the main research question.

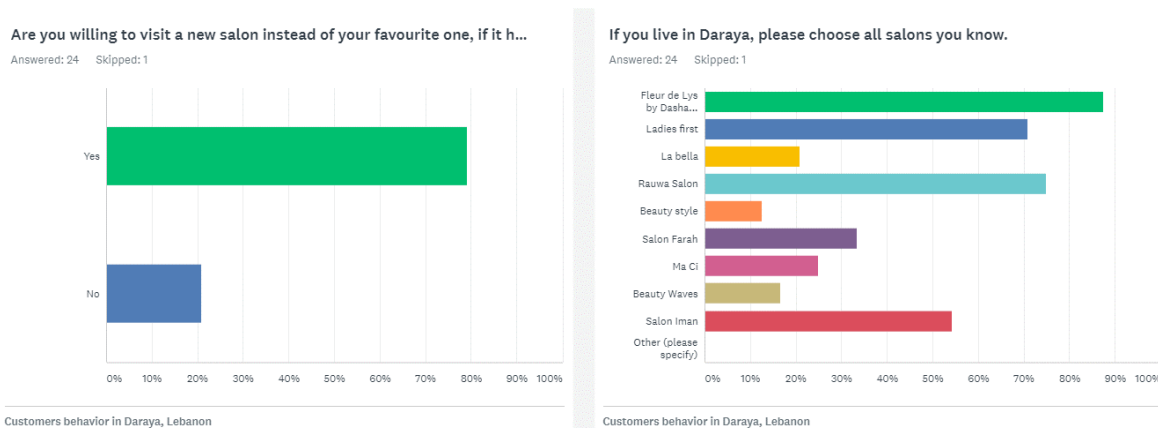It starts with the SOSTAC® planning model, where each step is described and summarised. The chapter ends with the SWOT analysis, which summarises the findings of the external and internal factors of the company.

6.1   The SOSTAC® Planning Model

As has been mentioned in the second chapter, the SOSTAC® model is one of the most powerful planning tools. Now when the author studied the model itself, the beauty industry in the Middle East, the case company and completed analysing the survey, it is time to put all gathered information together.

6.1.1   Situation

The author analysed the microenvironment and macroenvironment of the case company in Chapters 3 and 4. Regarding the macroenvironment, there are particular concerns for the case company such as growing taxes and low economic development of the region. However, these factors influence the whole country, so there is nothing the case company can do. On the other hand, the macroenvironment creates some opportunities. Due to the solid increase in social media usage, Fleur de Lys could advertise itself online. Moreover, traditions of celebrating religious holidays stimulate demand for beauty services.

Concerning the microenvironment, the case company faces strong competition, high bargaining power of customers as well as the threat of new entrants. However, Fleur de Lys offers all popular services for affordable prices so that the company could stand out. Among positive factors, there are the low bargaining power of suppliers and the low threat of substitute products, which are explained by the nature of the industry.

To sum up the situation analysis, Fleur de Lys faces a challenging environment, but still, there are many opportunities to grow.

6.1.2   Objectives

The author recommends Fleur de Lys formulate a mission statement, since it is an integral part of any business, as was defined in the second chapter. The author proposes the following mission statement to the company:

To provide women with exceptional beauty services at affordable prices. This mission statement is concise with the nature of the market and the customers behaviour, described in the third chapter.

On the subject of the company's goals, they are specific, measurable, achievable, realistic and time-framed. They fulfil all criteria of being SMART and could be considered as wise goals.

6.1.3 Strategy

The author utilises the STP model in designing the case company's strategy. Based on the research, the market could be divided into the following segments:

- Women up to 24 years old
- Women between 25 and 34 years old
- Women older than 35 years old
- Women regularly visiting salons
- Women visiting salons only for special occasions

The author recommends targeting women up to 24 years old. First, due to the demography of the region, this is the biggest segment. Secondly, according to the results of the questionnaire this segment of people visit salons monthly and are willing to spend the required amount of money. Additionally, the case company could target people visiting salons for a special occasion by offering them wedding or celebration packages.

To differentiate itself from competitors and reach target customers, Fleur de Lys could start special promotions for new customers. Another differentiating factor could be a halal manicure. None of the company's competitors provides this service, so Fleur de Lys could position itself as the respecting Islam salon.

Segmentation
- Women up to 24 years old
- Women between 25 and 34 years old
- Women older than 35 years old
- Women regularly visiting salons
- Women visiting salons only for special occasions

Targeting
- Women up to 24 years old regulary visiting beauty salons
- Women visiting salons for special occasion

Positioning
- Respecting Islam
- Affordable
- High quality
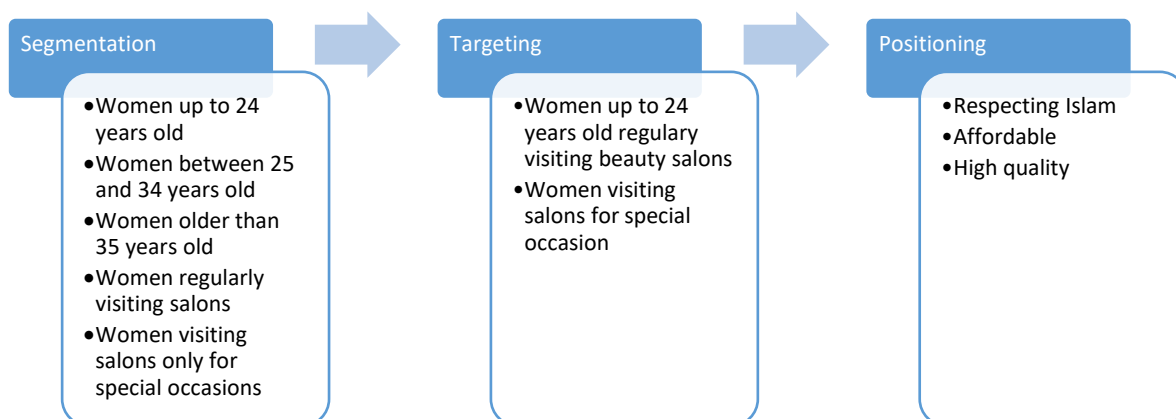
Figure 17 STP Model for Fleur de Lys

The survey showed that many are willing to visit a new salon offering special promotions or new services.

6.1.4 Tactics

For the decision on tactics, the author uses the Marketing Mix or 4Ps model. Although before creating it, it is recommended to think about customers' perception in the frames of the 4Cs model.

The 4Cs model includes customer solution, customer cost, convenience and communication. As for customers solutions, the survey showed that customers seek manicure, haircut, pedicure and other beauty services. Based on the study, customers ready to pay 10-20 for a manicure and 10-40 for a haircut or a hairstyle. Regarding convenience, the salon is located on the main road, but it has no parking space. Since some of the company's competitors have parking spaces, Fleur de Lys is not entirely convenient for customers. Currently, the salon accepts bookings by phone. As was mentioned in Chapter 3, social media usage in the Middle East is constantly growing. Thus, it is recommended to start accepting reservations through social media as well.

The author created a Marketing Mix for the company, which is presented below. All elements of 4Cs were taken into consideration as well as the company's goals.

Product
- Keep the same service range
- Introduce Halal manicure
- Introduce special packages for weddings or other occasions
- Work on improving quality

Price
- Keep the same price range
- Introduce discounts for new customers

Target customer

Promotion
- Update and maintain Social Media
- Start targeted paid campaigns on Instagram and Facebook
- Create special adds for halal manicure and advertise more before religious holidays

Place
- Located on the main road
- Consider buying parking places

Figure 18 Marketing Mix for Fleur de Lys

The current product range is well established and responds to the demand. However, the company should continuously train its personnel to improve the quality of their work.

The price range also corresponds to the needs of target customers. For attracting new customers, Fleur de Lys can establish promotions or discounts. Additionally, the questionnaire showed that there is sufficient demand for hair services that cost more than 40$. Therefore, the company may expand its price range and add more expensive offers.

The author recommends doing online promotions for reaching target customers. Fleur de Lys should update its cover photos and company name on Instagram and Facebook, so it corresponds with the new name. As was stated in the third chapter, Arabs value accurate statements instead of long services descriptions. Therefore, the case company should revise its services list and update it with more precise descriptions. Moreover, it is crucial creating engaging content and post regularly. Paid advertisements on Instagram and Facebook allow advertisers to set up targeted campaigns. Another critical point is to keep in mind religious aspects. The case company should advertise itself more before the main holidays as well as promote a halal manicure. Due to the importance of social opinion in the Middle East, the case company should also maintain good relationships with its clients and encourage them to spread the word.

The salon is located on the main road, which is a convenient place. However, Fleur de Lys should consider buying or renting a parking space.

6.1.5 Action

The author includes all discussed above recommendations in the following action plan.

Table 5 Gantt Chart with the Action Plan

Actions	November	December	January	February	March	May
Update information in social media	X					X
Create content and maintain a good reputation on a regular basis	X	X	X	X	X	X
Introduce and advertise halal manicure	X	X	X			
Introduce discounts for new customers	X	X				
Improve the quality of services	X	X	X	X	X	X
Run special adds for Ramadan						X
Consider buying/renting a parking place						X

The action plan is subject to change based on performance.

6.1.6 Control

It is essential to track performance and adapt spendings accordingly. Overwise, the case company risk to lose its capital. For avoiding this situation, the author recommends to set up the following KPIs based on the primary goals.

- Increase an income by 100$ every month
- Increase a customer retention by 10% every month

Each KPI should be controlled. If the revenue exceeds the target, it is possible to invest more in marketing or development. In contrast, if the revenue is below the target, it is suggested to avoid any additional spendings and adapt current expenses.

6.2   The SWOT Analysis Based on the Results

A SWOT analysis is a well-known marketing tool allowing to overview the current marketing situation and future opportunities and threats. It includes four parts: strengths, weaknesses, opportunities and threats. (Kotler & Armstong 2014, 78). Below is the SWOT analysis for Fleur de Lys based on the results of this study.

Strenghts
- Wide service range
- Affordable prices
- Location at the main street
- Halal manicure
- High brand awarness

Weaknesses
- No parking places
- Only a few subscribers and low engagement on social media
- Only a few customers

Opportunities
- Become the main salon with halal manicure
- Attract target customers via social media

Threats
- New entrants
- Competitors start to provide halal manicure
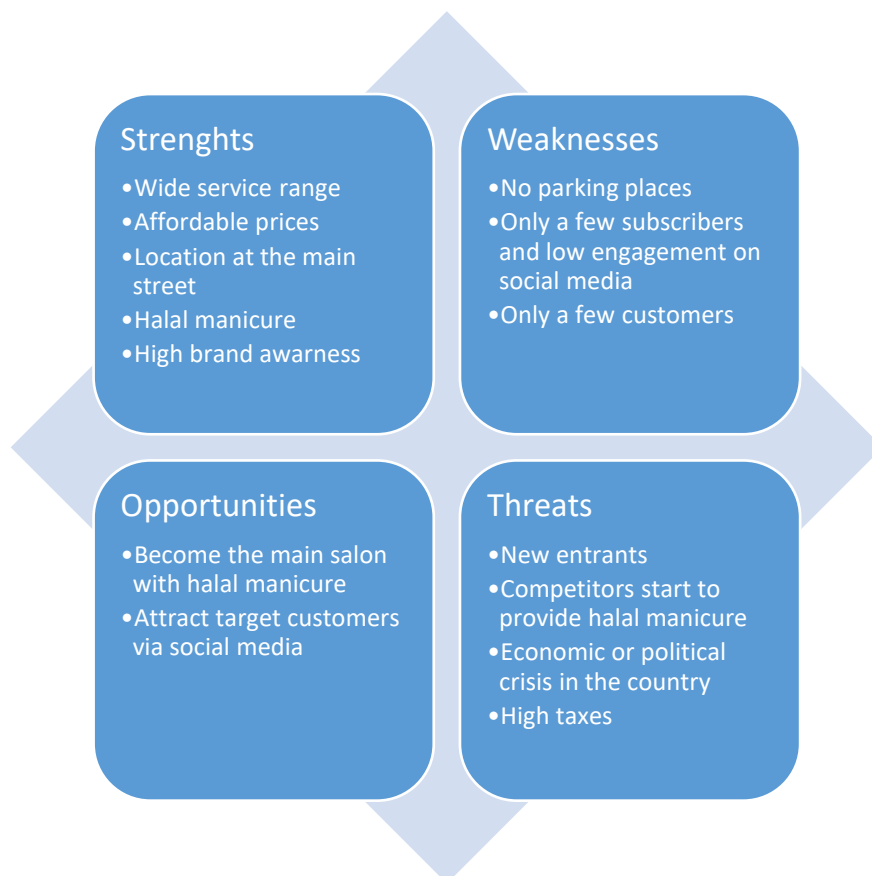- Economic or political crisis in the country
- High taxes

Figure 19 The SWOT Analysis for Fleur de Lys

To sum up this chapter, Fleur de Lys already has many comparative advantages such as well-established range of services and prices, unique halal manicure, convenient location and high brand awareness. Among its weaknesses are a small customer base and lack of subscribers and engagement in social media. There are several opportunities for Fleur de Lys such as growing the customer base, improving social media performance and becoming a unique provider of a halal manicure. Whereas, Fleur de Lys should keep in mind the unstable political and economic situation in the country, the threat of new entrants or competitors that may start providing the same services.

7   CONCLUSIONS

This chapter concludes the whole thesis. It starts with the clear answers to research questions. It followed by validity and reliability. The chapter ends with the suggestions for further research.

7.1   Answers to the Research Questions

The author set up several subquestions in order to support the main question. In this part, the author answers them.

1. What is the current situation with the beauty industry in Lebanon?

The industry is attractive to many entrepreneurs because the region has the highest spendings on cosmetics per capita. Moreover, the industry has low entry barriers. Therefore it is highly competitive.

2. What kind of marketing strategies the case company's competitors use?

As was defined in Chapter 3, people from the Middle East base their decisions on recommendations. Therefore, most of the case company's competitors rely on word of mouth and do not use any special marketing strategies. However, according to Northwestern University in Qatar (2017) usage of social media is growing, so some young companies use social media marketing.

3. What are the target customers of the case company?

The questionnaire conducted by the author showed that women between 18 and 24 years old living in Daraya are most likely visit beauty salons and ready to spend money on beauty services. Thus, these people were defined as the target customers.

4. What target customers of the case company demand?

According to the survey, target customers visit beauty salons for manicure, hair services, pedicure and make up the most.

5. What is the best marketing planning model for the case?

The author chose the SOSTAC® planning model because it covers most of the parts of a marketing plan. Additionally, its structure is easy to follow and to remember.

When all subquestions are clearly answered, it is time to move to the main research question.

What marketing activities should the case company implement to generate sales?

Based on the findings, the case company should:

- create and maintain a good reputation,
- position itself as respecting Islam company,
- advertise halal manicure,
- create unique advertisements for religious holidays,
- do social media marketing.

7.2 Validity and Reliability

Validity refers to the extent to which the results answer the research question (Saunders et. al 2014, 157). The author retrieved secondary data from books and reliable electronic sources. The author conducted the questionnaire to collect primary data. The author gathered 25 responses. All of the questions included text boxes to specify any other possile opinions. This study is valid.

Reliability is the extent to which data collection techniques will yield consistent findings. The study is reliable if it leads to the same results on other occasions, other observers could reach the same observations and results were drawn transparently. (Saunders et al. 2014, 157). This study fulfils all criteria, so it is reliable.

7.3 Suggestions for Further Research

This research aimed at providing the company with a general marketing plan. Therefore a more focused study covering one of the marketing channels such as social media or offline advertisement is recommended for more in-depth information.

Moreover, this research was narrowed down to the beauty industry. A similar study could be conducted to get insights into other industries.

8   SUMMARY

This thesis aimed at developing a marketing plan for the case company, so it could stand out from the competition, attract customers and as a result generate sales.

Theoretical part consisted of two chapters. In Chapter 2 the author introduced the theory about marketing. He discussed the importance of marketing, what is the SOSTAC® planning model and why is it suitable for the case. In Chapter 3 the author overviewed the beauty industry in the Middle East by describing features of the whole region. He also overviewed in detail the situation with the beauty industry in Lebanon.

In Chapter 4 the author examined the case company and its competitors. This part was followed by empirical research, which consisted of the survey. The survey revealed the target group and its behaviour.

The author developed a marketing plan using secondary data from theoretical parts and primary data from the survey. The plan is fully covered in Chapter 6.

This thesis finishes with the conclusion, where the author clearly answers all research questions as well as discusses the validity and reliability of the thesis and suggestion for the further research. The thesis met all objectives.

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