

استراتيجيات وتوصيات تسويقية نحو استدامه طويله الأجل للمنشآت الصغيرة والمتوسطة

2023

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Introduction

It aims to shed light on their importance in the Palestinian economy, explain their marketing mechanism in distributing and promoting their products.

Research Methodology

● Disk Analysis

1. Secondary Data: Literature, reports and statistics
2. Situational analysis (SWOT & PEST)

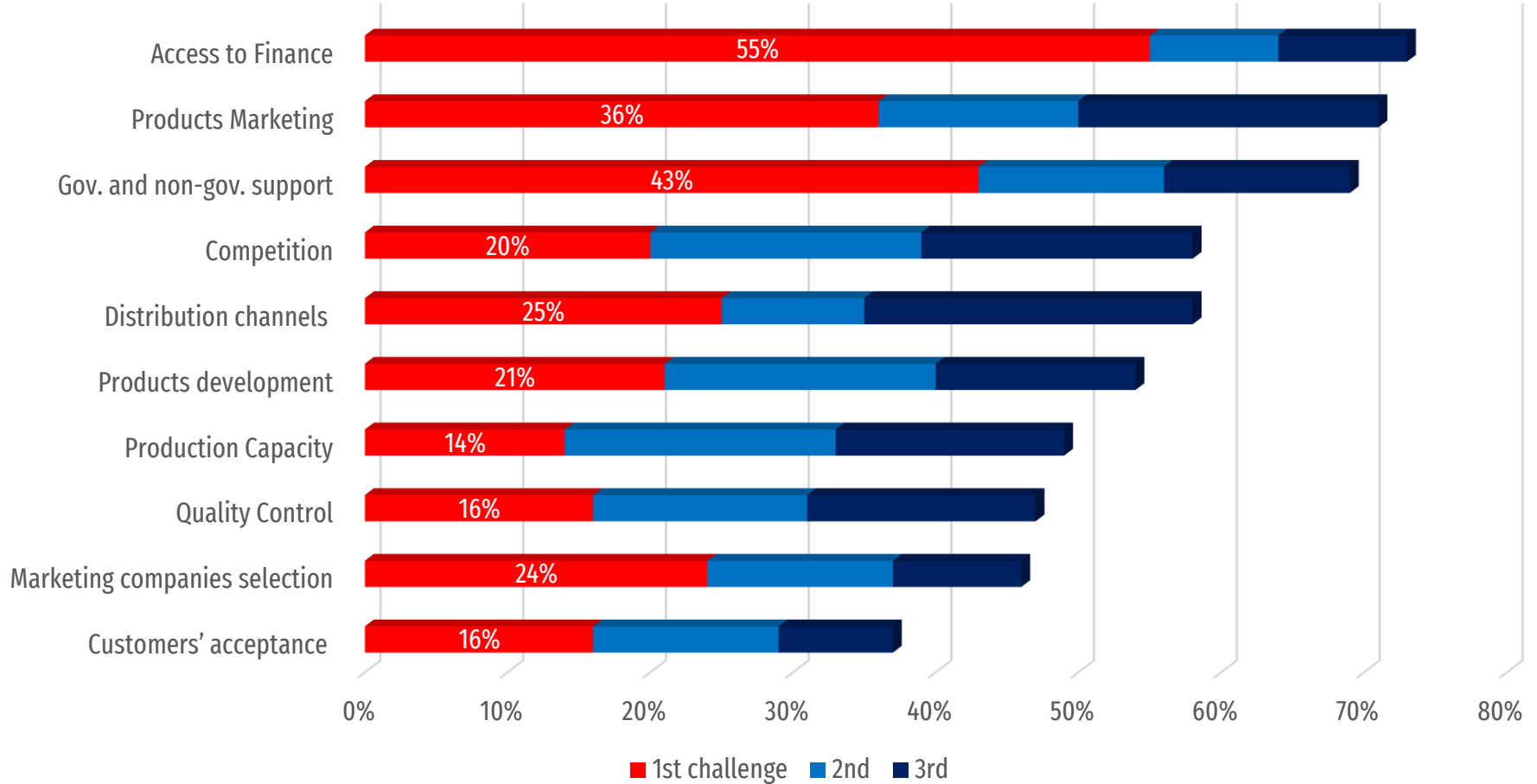
● Interviews

1. Marketing Companies Managers
2. Sector Experts

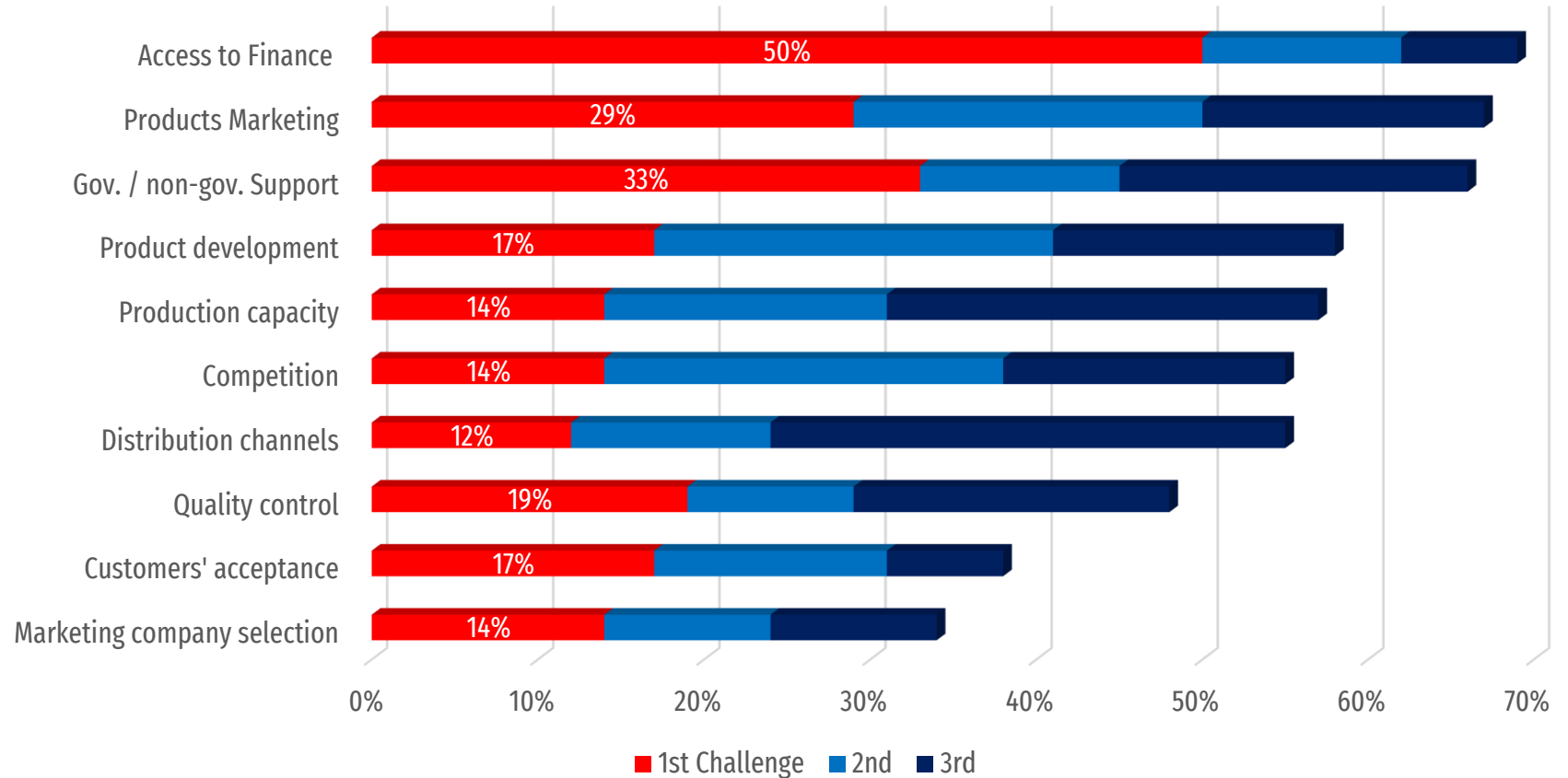
● Questionnaire

1. Small- Scale Enterprise Owners (83 Respondents)
2. Cooperatives representatives (22 Respondents)

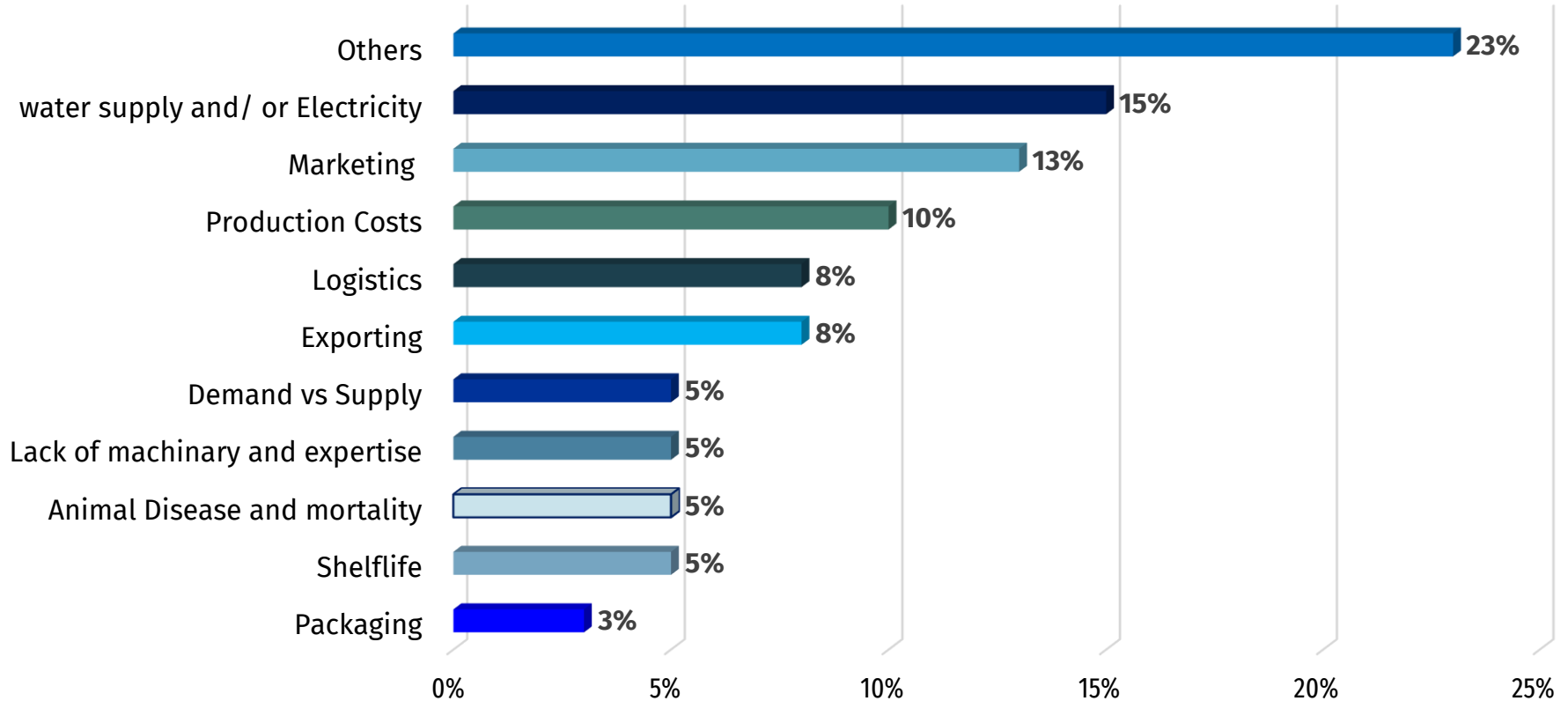
MSMEs Challenges



Agribusiness MSMEs

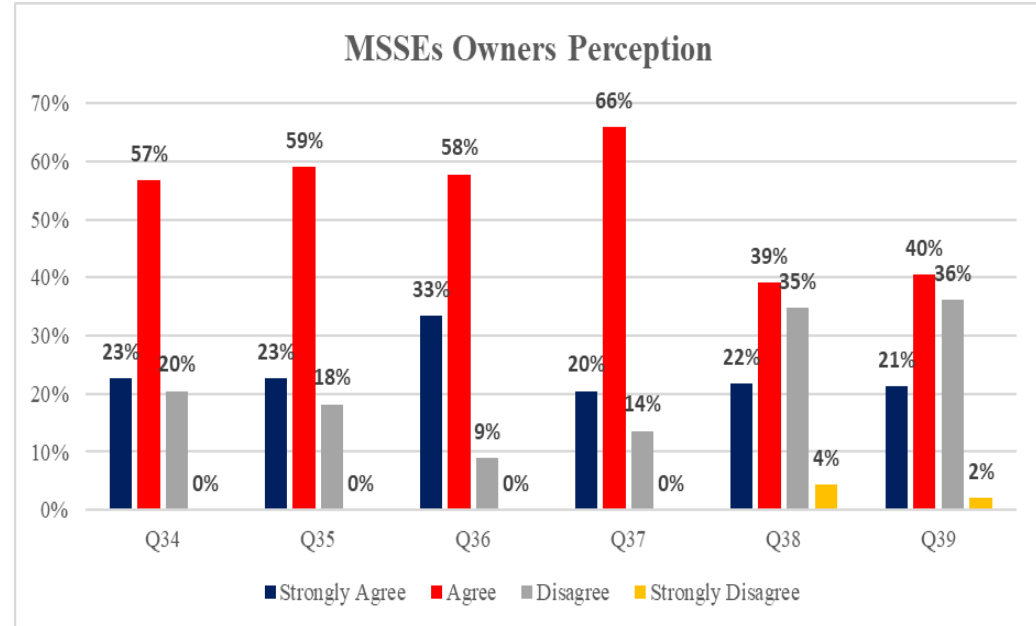


Other Challenges/ Respondents thought



MSSEs Owners Perception Toward Marketing Companies

| No. | The Question |
|-----|---|
| Q34 | Marketing companies deliver marketing campaigns to promote the MSSEs products |
| Q35 | Marketing companies actively distribute the products to the POS |
| Q36 | Marketing companies could significantly increase the products' sales |
| Q37 | MSSE owners are willing to maintain the relationship with the marketing companies |
| Q38 | Marketing companies share the marketing expenses |
| Q39 | Package and design are selected in coordination with marketing company |

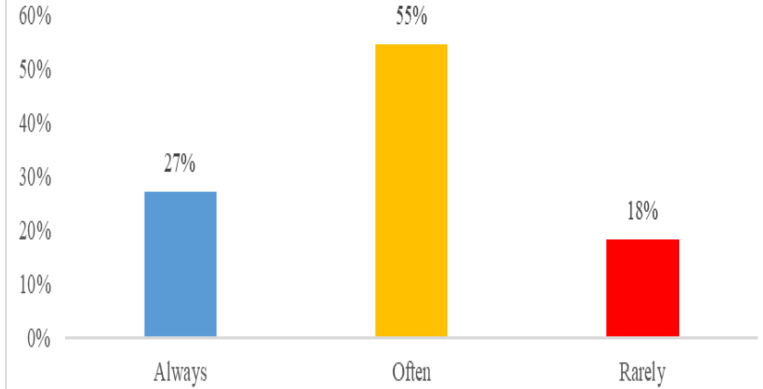


MSSEs Owners Perception Toward Marketing Companies

MSSEs Satisfaction

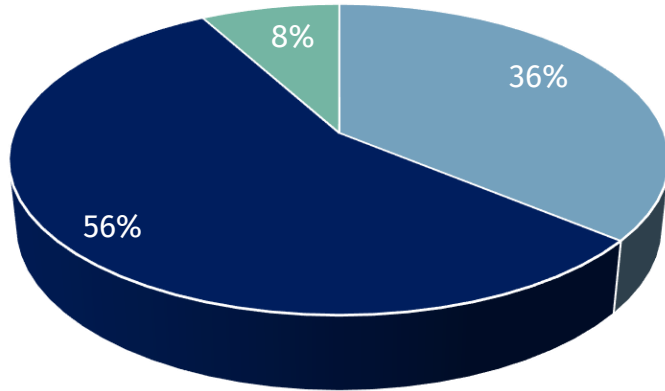


The marketing company is committed to buy all the products



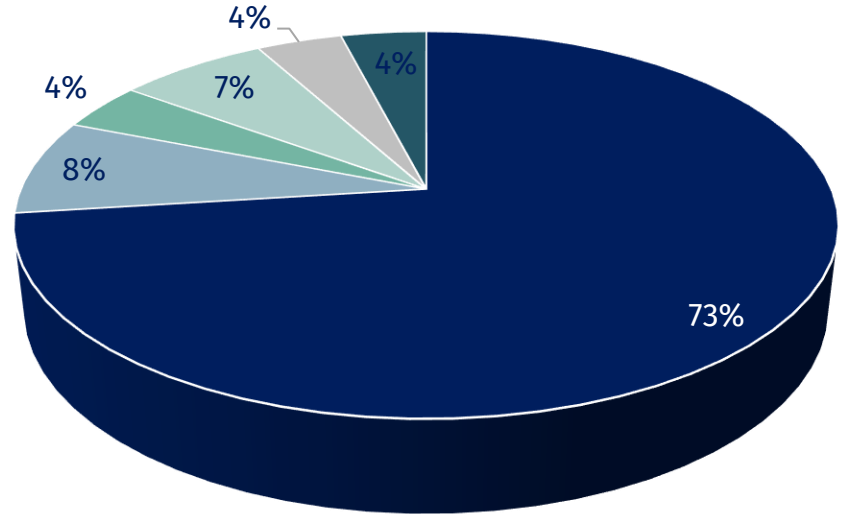
Quality standards

Does the enterprise or the products have Quality certificates?



■ Yes ■ No ■ May be

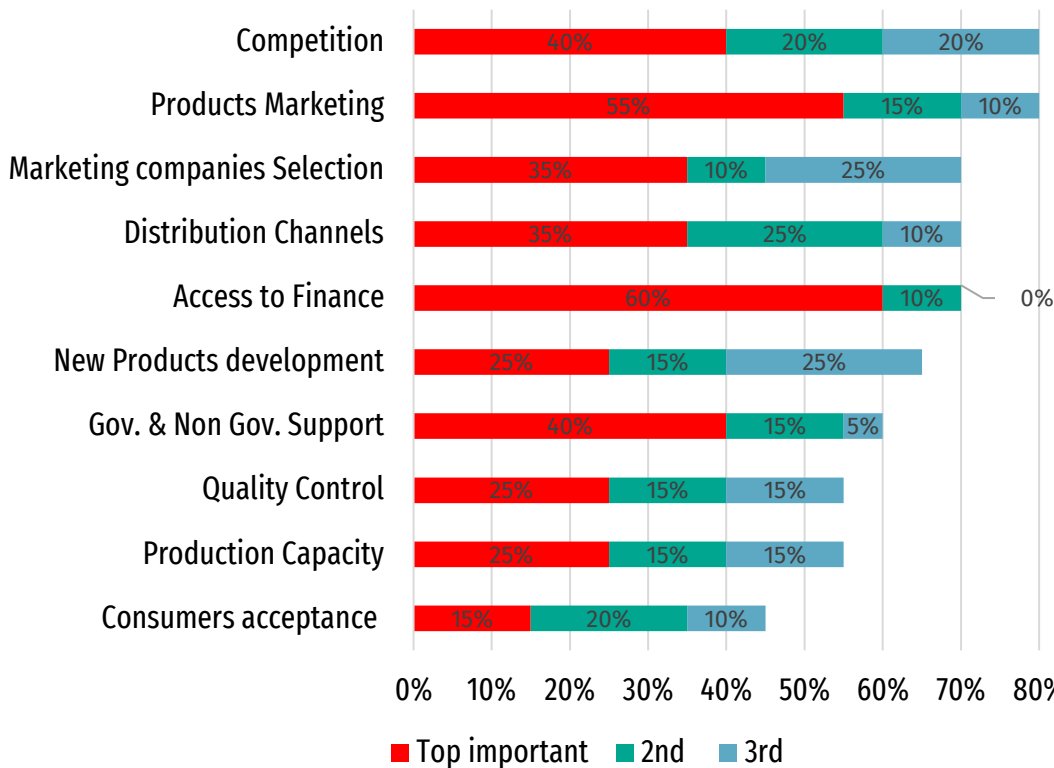
Certificates Type



■ Birzeit University lab ■ Green Way (Russian Company)
■ sweets and/ or food preparation ■ ISO Certificates
■ MONE ■ Kitchen Certificate

Lack of Awareness about Quality or standard Certificates

Cooperatives Challenges



| Other Challenges |
|---|
| Marketing and competition |
| professional Consultations, Pricing, Packaging and design |
| Training for competitive products development |
| Cost of materials |
| Lack of support for equipment and machinery |
| Cost of the site rent |
| No production site |
| Export |
| Cost of materials, artificial items and competition |
| Access to packing materials |
| Competition by other cooperatives |
| Packing material quality |

Marketing Companies Representatives Interview

| Challenges | Comments |
|--|---|
| Packaging | Usually Marketing companies use their own packages with few exceptions. |
| MSMEs Profit Margin | Profit margin is low which represents a constrain for growth. |
| Production Capacity | Enterprises are small, the scarcity and seasonality of raw materials, production capacity is not adequate to meet the supply |
| Food safety and quality certificates: | Consumers' demand for healthy and hygienic with high and consistent quality products. However, There is a lack food safety and quality certificates (national or international food quality standards) |
| Products' quality consistency | one of the major factors. |
| Ability to officially register the project | This due to financial issue and the enterprise size. |

Marketing Companies Representatives Interview

| Challenges | Comments |
|-----------------------|--|
| Failure rate | <p>High failure rate due to:</p> <ul style="list-style-type: none">- lack of market studies- marketing expertise- costing and profitability calculations- ability of products to meet requirements and operating costs. <p>According to one respondent, in 2015 and 2016, the number of supplying enterprises and cooperatives reduced from 120 to about 35 in 2022.</p> |
| Marketing performance | <p>Marketing performance is relatively weak for many reasons.</p> <ul style="list-style-type: none">- Food hygiene, safety and quality level consistency- Lack of feasibility studies to measure the demand, calculate costs and profitability and production capacity.- Lack of marketing expertise- The problems of supporting organization- The local market instability (demand and consumers' perception) |

MSSMEs Experts

- Challenges:
 - Consistency of products' quality
 - Production capacity
 - Lack of creativity and innovation
 - Lack of collaboration between the women owned enterprises
 - The effect of national norms in terms of the perception toward women owned enterprises and the role of men in the family.
 - The cost and profit affect the sustainability, innovation, development
 - The packaging
 - The owners' attachment to the project might have a negative impact because the owners are reluctant to collaborate with others.
 - Technical and business knowledge
 - Need for machinery and equipment

A conceptual image for business analysis. The background is a blurred photograph of a person in a white shirt writing on a glass surface with a black marker. Overlaid on this are several data visualization elements: a world map in the top left, a pie chart with a 20% slice in the top center, another pie chart with segments of 11%, 13%, 16%, 22%, and 30% in the top right, a line graph with two upward-trending lines in the middle left, a bar chart with multiple bars in the bottom center, and a row of seven human icons in the bottom left.

Analysis

PEST Analysis

Political

MSSEs investment promotion
Women- Owned enterprises support
Supporting organizations
Lack of certifying bodies
Lack of actions to eliminate the impact of natural crises

Economic

Unemployment
Poverty rate
Low rate of working women
Fluctuated economy
Buying power
Donations for MSSEs

Socio- Culture

Emerging trend toward healthy food
The tendency for traditional products
Lack of households time to prepare traditional food
↑ rates of educating and working women
↑ power of retailers and wholesalers
Customer perception
Global emerging markets

Technology

Automation production lines
Effective Communication (Suppliers and consumers)
Digital Marketing
Knowledge gain

SWOT Analysis

| Strengths | Weaknesses |
|---|--|
| Ambitious Owners | Lack of production capacity |
| Skillful owners in traditional food | Poor Package and design |
| Willingness of Entrepreneurs to learn | Products shelf lives |
| Traditional Recipes | Lack of marketing and promotion experience |
| Low Working Capital | Lack of brand identity or positioning |
| Local Availability of Most of production inputs | Financial position |
| Minimal need for high level of education | Quality level and consistency |
| | Food or natural cosmetics safety certificates |
| | Seasonality of raw materials |
| | Lack of costing and profitability calculations |
| | Logistics |
| | Cost of Raw materials and other resources |

SWOT Analysis

| Opportunities | Threats |
|--|--|
| Customers preferences of traditional, organic or no processed food or natural products | Water Supply |
| MSEs support | Lack of infrastructure in villages |
| Women- owned enterprises support | Competition |
| Cooperatives establishment | Increasing power of resellers |
| Local and Global Demand | Lack of governmental support |
| Donors | Access to finance |
| Increasing rate of working women | Monitoring and control (Follow up) |
| Customers seek for traditional recipes with modern design and package | Export regulation |
| | Customer acceptance of handmade products |
| | Lack of certifying bodies |

Recommendations

Create incubators to help the producers improving their production, marketing, packaging, costing, machinery and quality level and consistency



1

Increase the awareness of collaborative approaches to prove the importance of collaboration between the producers



2

Revise the training and consultation approaches to create changes in producers' mindsets



3

Recommendations

Build brand identities,
especially for products for
local market



4

This recommendation is presented in a dark blue, downward-pointing arrow shape. The top portion is white with a dark blue border and contains the text. The bottom portion is a solid dark blue triangle containing two white icons: a lightbulb with a checkmark and a target symbol. A small white box with the number '4' is attached to the bottom right corner.

Focus on packaging and
design



5

This recommendation is presented in a teal, downward-pointing arrow shape. The top portion is white with a teal border and contains the text. The bottom portion is a solid teal triangle containing a white trophy icon. A small white box with the number '5' is attached to the bottom right corner.

Recommendations


The current marketing approach through marketing companies should be revised and modified to help both producers and marketing companies.



6



The modified approach should be built to ensure MSSEs sustainability and growth rather than survival.



The modified marketing approach should focus on customers' acquisition and retention, because the current target customers are usually influenced by their own motives, not as a result of marketing activities.

Recommended Actions to bridge the Gap for Agribusiness Enterprises:

| Current Situation | Actions | To Be |
|----------------------------|--|--|
| Production Capacity | Machinery and regular raw material supply | Regular supply |
| Product Marketing | Mentor pool or one to one consultation Training | Effective plans. Proper marketing tools selection Efficient approach from the market selection till sales and profit generation |
| Product Development | Technical onsite training Inviting industry technical expertise | Proactive approach Differentiation |

| Current Situation | Actions | To Be |
|---|--|---|
| Logistics | <p>Providing cooling transportation system (Might be as a donation)</p> <p>Collaboration between enterprises.</p> | <p>No damage specially for short shelf life products</p> <p>Distribution efficiency</p> |
| Costing and Profitability calculations | <p>Training and consultation.</p> <p>Train one partner to do financial tasks. Trainees must understand the importance of calculating their personal efforts as a main factor of costing to calculate accurate profitability.</p> | <p>Efficient Costing and Profitability.</p> <p>Ability to accurately measure the feasibility of the project.</p> <p>Helps to take decisions such as dropping certain item, focusing on profitable items or developing more profitable</p> |

| Current Situation | Actions | To Be |
|-----------------------------|--|--|
| Packaging and Design | <p>Collaboration between enterprises in the same area to deal with designers and printing services.</p> <p>Establishing a design and packaging center. This center might be supported by both gov. and non-gov. institutions</p> | <p>Attractive package to create brand awareness and Brand image</p> |
| Access to Finance | <p>New financing approaches to guarantee growth</p> <p>New Selection criteria to include micro scales who can't provide all needed documents.</p> <p>The fund should be enough for the beneficiary to improve his business</p> | <p>Growth rather than survivor</p> <p>Production capacity improvement</p> <p>Ability to improve and develop products</p> |

| Current Situation | Actions | To Be |
|--|---|---|
| Marketing Companies performance | <p>Price should guarantee mutual benefits</p> <p>Marketing company's activities to promote the products</p> <p>Using enterprises logos or designs to distinguish between them by the customers</p> <p>Distribution Efficiency</p> | <p>Marketing companies help the enterprises to sell and promote their products at reasonable profitability and enterprises focus to improve production in terms of products, process and capacity.</p> <p>Production Efficiency</p> |



| Current Situation | Actions | To Be |
|----------------------------|---|--|
| Quality Consistency | Technical support Quality certification National accepted requirements to maintain the level Lab Tests | Less recalls Less Damage More sales Positive customer' perception |