

Also there are the billboards for the Local Brands (Concrete) which have rise to the brand in their last campaign, and last the store it self which is considered one of the most powerful tools of communication with the customer.

Those tools –based on experince- are considered the most influential of marketing communication on the customer in the local Market.

## Conclusion

Based on the above it's clear that the obstacles that face the local brands regarding the 4Ps are represented in the branding mainly not the product itself. Also the results show that the pricing strategies for the local brands should be reviewed specially under the new economic conditions.

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### Visual Merchandising

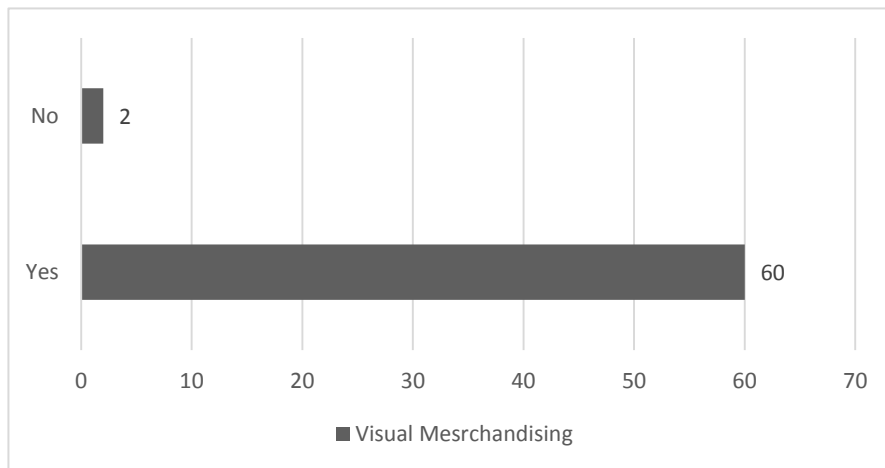


Figure (10): Visual Merchandising Effect

The Window Display and the Store Atmosphere are both strong elements of the Visual Merchandising which Proved its effect on the Consumer Behavior as 91% of the sample agreed that the visual merchandising affect positivly their Purshasing Decision

### Integrated Marketing Communication (IMC) Efficiency

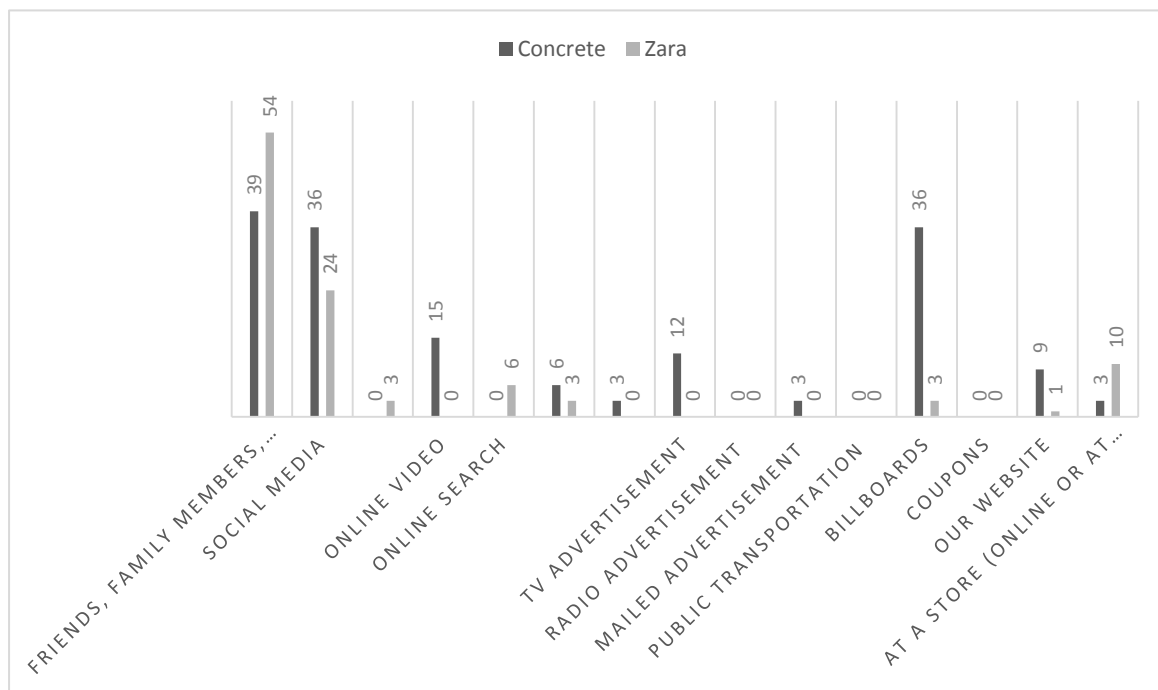
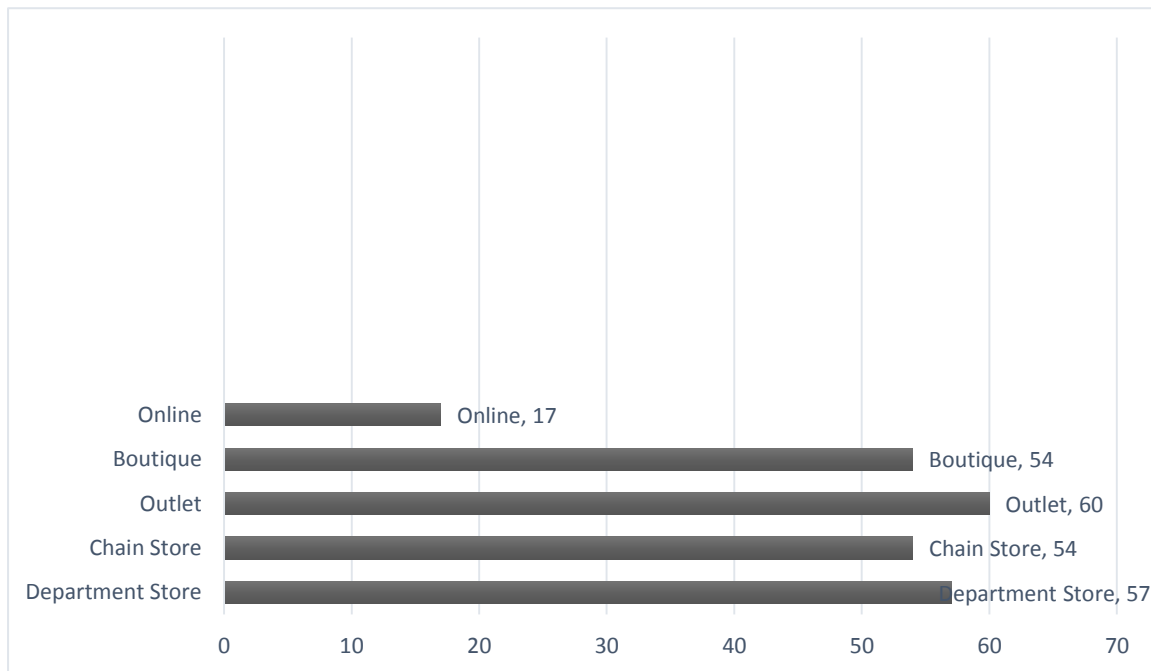


Figure (11): IMC Efficiency

The Results show that the most efficent communication way for both the Multinational and Local Brands (Zara-Concrete) is the word of mouth (Family, Friends..etc) , then the Social Media and the online search and vidios which emphasize the huge influence of media today .

Further to the above by measuring the Price Elasticity for both (Multinational –Local) Brands by taking Massimo Dutti and Concrete as two examples. Most of the sample rejected the price raise for both the brands which means that no matter whatever the brand type, the target segment is very Price Sensitive. Which lead us to the fact that the price raising after the Inflation won't be accepted so easily or soon.

## Place



**Figure (9): Place Preference of the Sample Group**

The results regarding the customer preference about the style showed that the percentage of the sample Descending ordered as following:

1. Outlets
2. Department Stores
3. Chain Stores-Boutiques
4. Online

Each of the mentioned retail formats indicate a specific factor of the customer preference, for example most of the sample preferred the outlet which indicates the price leadership. Preferring the department stores shows that the customer prefers to have many option of the product in one place which maximizes his choices. Then comes the Chain Stores and the Boutiques which indicate the Brand loyalty and the exclusivity .and t\last comes the Online Shopping which indicate that the customer is giving the chance to that new format but still has his concerns specially when it comes to Apparel Shopping.

The results showed that Zara (which stands for the Multinational Brand) is most positioned in the customer mind by Unique Designs and Brand Image. While Concrete (which stands for the Local Brands) is most positioned in the customer mind by Good Quality and Long History.

### Brand Equity

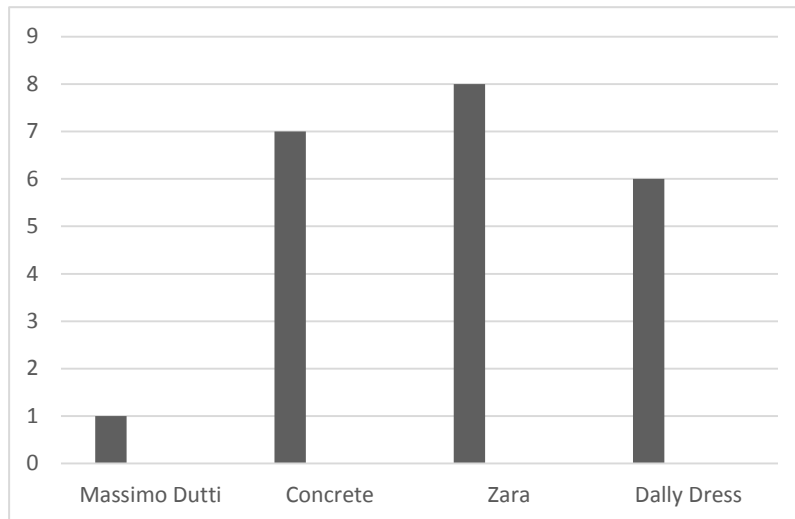


Figure (7): Brand Equity for 2 Groups of Multinational/Local Brands

The results showed that the percentage of the sample Descending ordered as following: (Zara-Concrete-Dally Dress-Massimo Dutti). And by dividing the results to two group as Multinational Brands (Zara-Massimo Dutti) and Local Brands (Concrete-Dally Dress) and calculating the average of every group we find it 20% for the first group and 29.5 % which means that the Brand Equity for the Local Brands is comparatively higher than the Multinational Brands.

But by considering the Descending order of the brands regardless the groups we find that the highest percentage of Brand Equity goes to Zara which is a Multinational Brand. So it can be considered a Special Case.

### Price Elasticity



Figure (8): Price Elasticity for 2 Multinational/Local Brands

### Brand Recognition

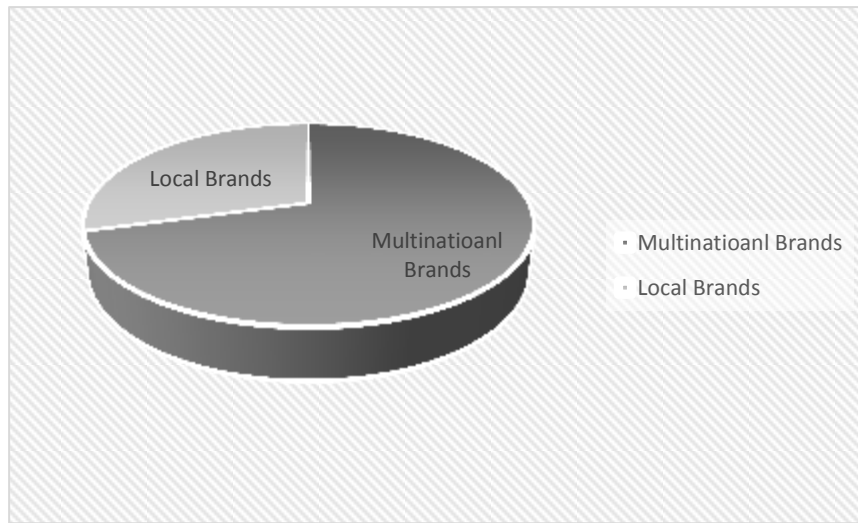


Figure (5): Brand Recognition for 2 groups of Multinational/Local Brands

The results showed that the percentage of the sample Descending ordered as following: (H&M-Concrete/Zara-Others-Mobaco-Massimo Dutti). And by dividing the results to two group as Multinational Brands (H&M-Zara-Massimo Dutti) and Local Brands (Concrete-Dally Dress-Mobaco) and calculating the average of every group we find it 18% for the first group and 7.5 % which means that the Brand Recognition for the Multinational Brands is comparatively higher than the Local Brands.

But by considering the Descending order of the brands regardless the groups we find that brand recognition of some Local Brands as Concrete is equal to some Multinational Brands as Zara. And it could be even higher than some Multinational Brands as Massimo Dutti.

### Brand Positioning

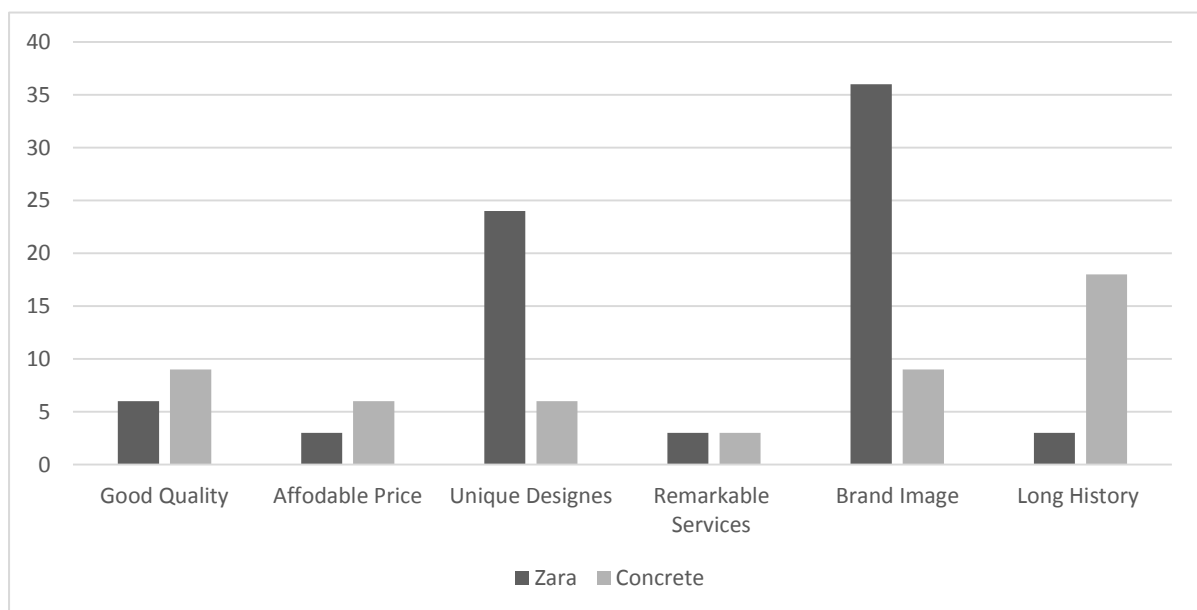


Figure (6): Brand Positioning for 2 Multinational/Local Brands

The results showed that the percentage of the sample Descending ordered as following: (H&M-Zara-Concrete-Dally Dress-Massimo Dutti-Mobaco). And by dividing the results to two group as Multinational Brands (H&M-Zara-Massimo Dutti) and Local Brands (Concrete-Dally Dress-Mobaco) and calculating the average of every group we find it 77% for the first group and 60 % which means that the Brand Awareness for the Multinational Brands is comparatively higher than the Local Brands.

But by considering the Descending order of the brands regardless the groups we find that brand awareness of some Local Brands as Concrete and Dally Dress is relatively higher than some Multinational Brands as Massimo Dutti.

## Brand Recall

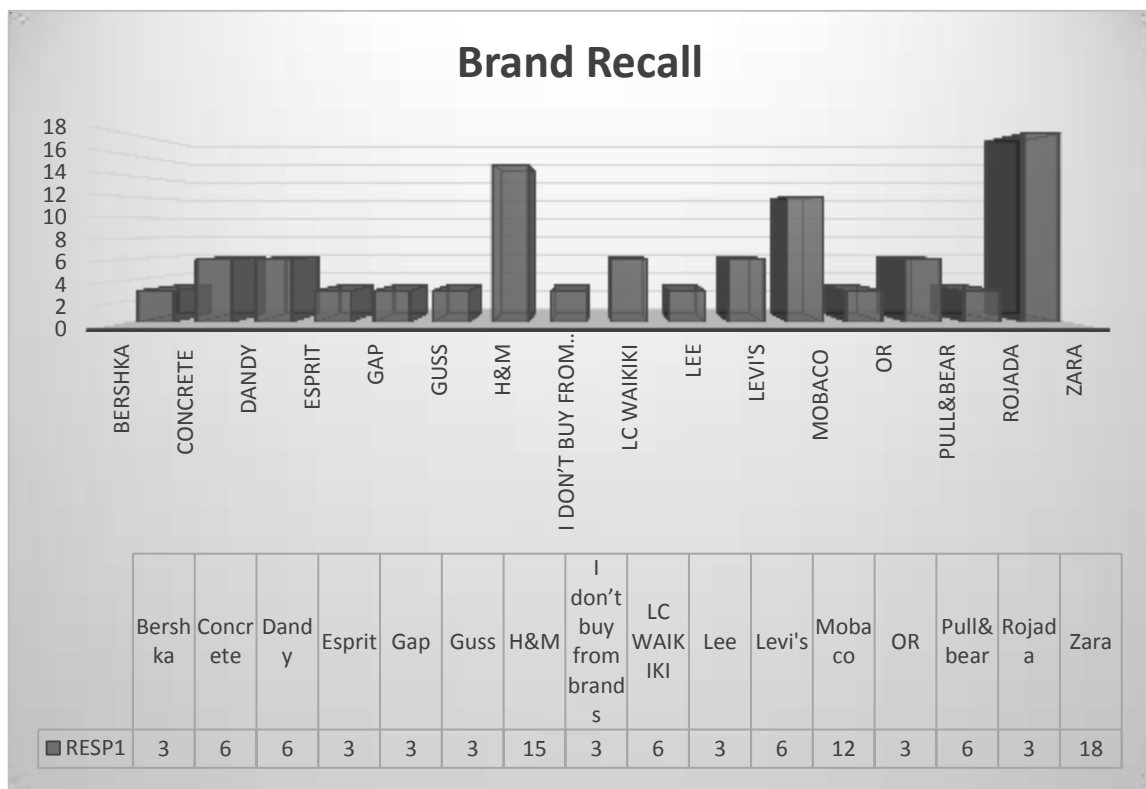


Figure (4): Brand Recall for group of Multinational/Local Brands

The results showed that the voices of the sample Descending ordered as following:

1. Zara (18 Voices)
2. H&M (15 Voices)
3. Mobaco (12 Voices)
4. Concrete/Dandy/LC/Levis'/Pull&Bear (6 Voices)
5. Bershka/Esprit/Gap/Guss/Lee/OR/Rojada (3 Voice)

By calculating the Mentioned Brand Names, we find them 15 Brand. 10 Multinational Brand name and 5 Local Brand Name. which means that the brand call for the Multinational Brands is higher Almost double than the Local Brand Names.

Yet individually we find a Local Brand Name Such as Mobaco has a well percentage of the Brand Recall as it comes third by 12 voices

## The Sample

The researcher has designed a Questionnaire which covers the two axis's that form the obstacles of competition for Egyptian Apparel Brands in Local Markets. Those axes are (Branding-Marketing Mix). The Questionnaire contents groups of questions that asset the efficiency of the Marketing Performance of two groups of the Fashion Brands in the Local Market (Local Brand & Multinational Brands). The sample includes 65 responses of (Males& Females) Customer in the age of 18-35. The questions have focused on the Jeans Product in the Local Market.

## The Questionnaire

The Questionnaire was sent to the research sample. The sample includes 60 responses of (Males& Females) Customer in the age of 18-35. The questionnaire was focused on the Jeans Product in the Local Market.

It is clear from the above mentioned in the first part of the literature review and the analysis and characterization of the sample group in the second part which has been studied So that elements of the Marketing Mix are addressed to identify the most remarkable obstacles that face the Egyptian Brands in the local Market this was done by studying the following:

- 1- Elements such as Brand Awareness, Usage, Recall, Recognition and Positioning for samples of Multinational and Local Brands
- 2- Customer Preference and Priorities regarding the Product and the Place
- 3- Brand Equity and Price Elasticity for samples of Multinational and Local Brands
- 4- Intergrated Marketing Communication IMC Efficiency for samples of Multinational and Local Brands

Those factors are considered the most influential in forming the gap in the Marketing Performance between the Multinational Brands and the Local Brands in the Local Markets

## Brand Awareness

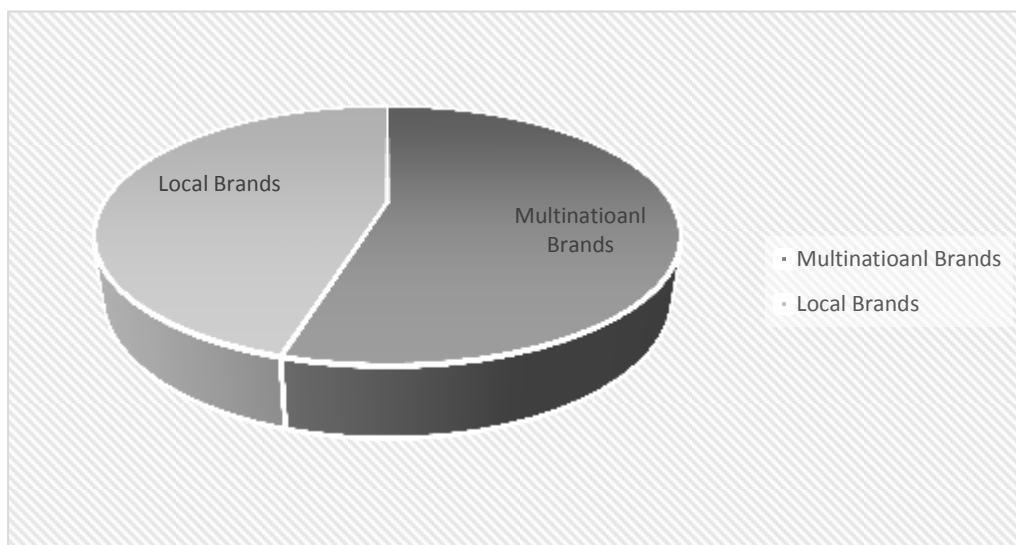


Figure (3): Brand Awareness for 2 groups of Multinational/Local Brands

### 5.1 Promotion Mix

Although the money organizations spend promoting their offerings may go to different media channels, a company still wants to send its customers and potential consumers a consistent message (IMC). The different types of marketing communications an organization uses compose its **Promotion or Communication Mix**, which consists of advertising, sales promotions, direct marketing, public relations and publicity, sponsorships (events and experiences), social media and interactive marketing, and professional selling. (Lascu & Clow-2012)



Figure (3): Promotion Mix

(Keller-2008)

As the main purpose of the study is to identify the obstacles that face the Egyptian Brands in the local Market and how relevant are those obstacles to the Marketing Mix which directly affect their Marketing Performance and widening gap between them and their parallels in the Local Market, so the study was made on 2 groups of the Multinational and Local Brands to measure the four elements of the Marketing Mix and all what is related to them by the same standards and under the same conditions on the sample group.



## 4.Place

It includes distribution channels, warehousing facilities, mode of transportation and inventory control management thus it is a mechanism through which goods and services are moved from the service provider and manufacturer to consumer. (Singh-Oct 2012)

Marketing is about putting the right product, at the right price distribution of the product need to be first a placement was it act as an access to sell the product to the customer. Place is an area which is to be selected based on the customer's needs. That means places where the demand of the product is more which automatically helps the firm to increase the graph in profit chart. (Anusha KS-2016)

### 4.1Exclusivity Vs Massclusivity

**Exclusivity** refers to the limited distribution of a product. Fashion marketers often use exclusivity during the introduction of a product line as an attempt to enhance the allure and excitement of the product.

Once the merchandise is accepted by the consumers in a particular market, the fashion marketer has two options. One option is to promote the exclusivity of the product and keep selling it in only those markets. This fashion marketing strategy enhances the brand's image as selective, special, and valuable in both intrinsic and extrinsic value. Exclusivity provides the customer with a perception of individuality and builds anticipation and excitement for the product and additional recognition for the brand.

To satisfy the mass market's need for exclusive products and stimulate their purchasing behavior, fashion marketers have designed a strategy called **Massclusivity**. That refers to a strategy whereby retailers offer limited-edition merchandise to a mass market. The strategy is designed to stimulate consumer enthusiasm toward the limited-edition item(s) and promote merchandise turnover. (C. Bickle-2011)

### 4.2Visual Merchandising

The visual merchandising displays and the type of environmental stimuli these visual merchandising displays create in apparel retail stores could have an effect on consumers' perceptions, which is "... the practice where a person observes, selects, organizes and reacts to environmental stimuli in a significant way.(Plessis & Rousseau-2003)

## 5.Promotion

*'Fashion is all about self-image and using brands as symbols that say something about how successful you are or want to be. Every successful brand is based upon image. The way you make the image is via advertising: fashion thrives on advertising; it creates the identity and the attraction.'*

Fernie, Burt & Moore, 2000

The definition of **Integrated Marketing Communications** IMC is that of the American Association of Advertising Agencies (1993):

"A concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines and combines them to provide clarity, consistency and maximum communications impact through the seamless integration of discrete messages." (J. Baker– 2003)

### 3.Price

Price is the point at which exchange between buyer and seller takes place, where supply and demand are equal. Prices that are set can determine the rate and extent to which marketing objectives are achieved. (Easey -2009)

The price of a product or service will determine how consumers perceive it, reflect on its brand positioning, influence the choice of marketing channel, affect how it is promoted and have an impact on the level of customer service expected by target customers.

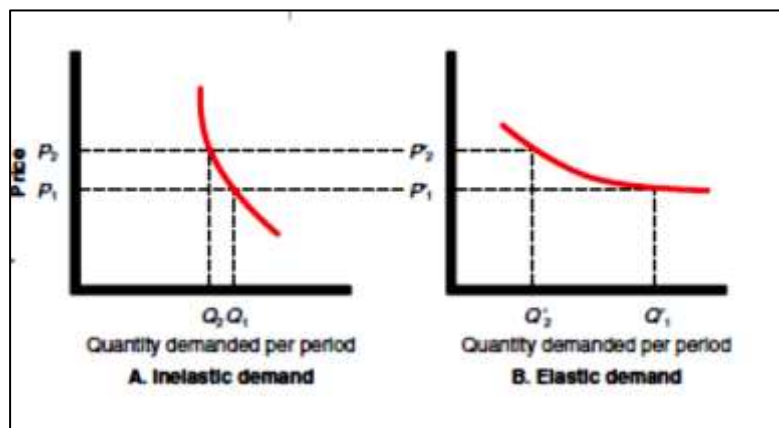
Pricing is one of the most important elements of the marketing mix, as it affects profit, volume and share of the market and consumer perceptions. Just as pricing plays a crucial role in determining brand image, increasingly companies are being judged on the transparency and equity with which they treat price as a marketing variable. (A. Stone & Desmond -2006)

The most common – and obvious – rationale given for the importance of price is that price is the only element in the marketing mix that generates revenue; all other elements are associated with costs. Such costs are necessarily incurred in creating value via product development, promotion and distribution. In contrast, pricing can be seen as a value extraction activity (J. Baker-2003)

#### 3.1 The Price-Demand Relationship

- **Demand Curve**

A curve that shows the number of units the market will buy in a given time period, at different prices that might be charged.



Picture (2): Demand Curve

- **Price Elasticity of Demand**

illustrates the response of demand to a change in price

- **Inelastic Demand**

occurs when demand hardly changes when there is a small change in price

- **Elastic Demand**

occurs when demand changes greatly for a small change in price. (Kotler & Armstrong-2010)

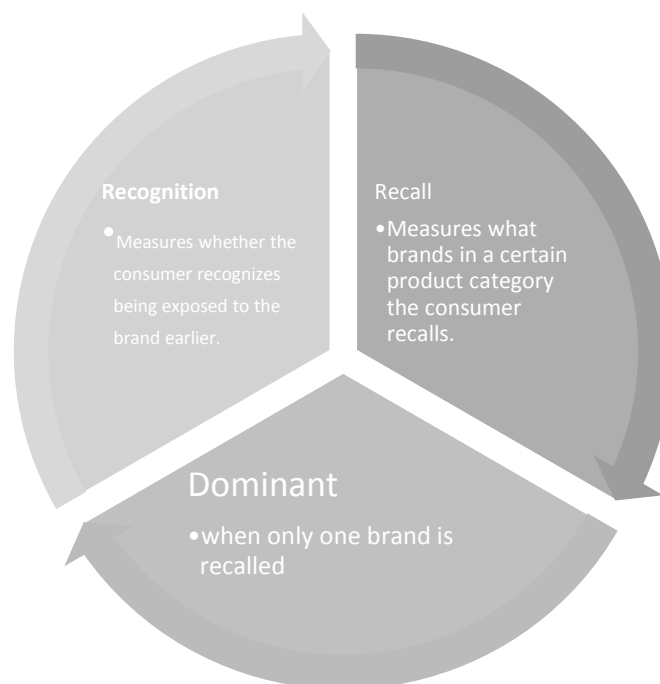
Brands make decisions everyday on many levels whether concerning the Product individually, the Product Line or the Product Mix overall. And Branding is considered The most important issues that concerns the company. From the many terms that relate to the branding we mention the following

## 2. Brand

According to the American Marketing Association defines a brand as “A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers” (Anusha KS-2016)

### 2.1 Brand Equity

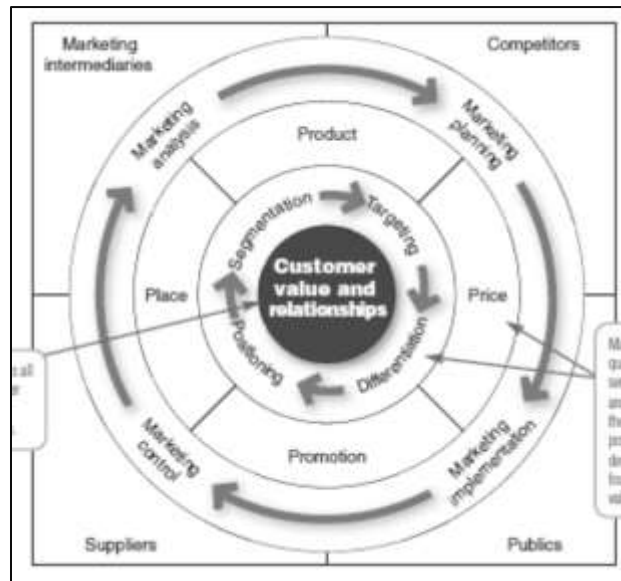
David A. Aaker defines Brand equity as the set of assets (or liabilities) connected to a name and symbol of a brand that add (or subtract) value to a product to the company as well as to the company’s customers. The assets can be divided into following four major categories: brand name awareness, brand loyalty, perceived quality and brand associations. Brand equity management involves enhancing and creating these assets. (A. Aaker -1995)



**Figure (2): Brand Equity**

### 2.2 Brand awareness

Brand Awareness is as mentioned one of the four major assets that create Brand equity to a company brand. The strength and size of a brand’s presence in the consumer’s mind is the definition of awareness. Awareness can be measured in different ways, such as recognition, recall “top of mind” and dominant. (Bengtsson, & Vilic -2012)



Picture (1): Marketing Strategy and Marketing Mix by Kotler

In simple words, Marketing Mix is the implementation of the brand marketing strategy through four elements which are Product, Price, Place and Promotion.

## 2. Product

By the Fashion term, Product is fundamental. Designers consistently keep developing new ideas to respond the customer demands. And without the continuous introduction to the market, the Fashion will be "Dead".

Product can be defined as "anything that might satisfy a need that can be offered in the marketplace." (Easey -2009)

In the fashion industry, Easey classified product into Classic, Fashion and Fads

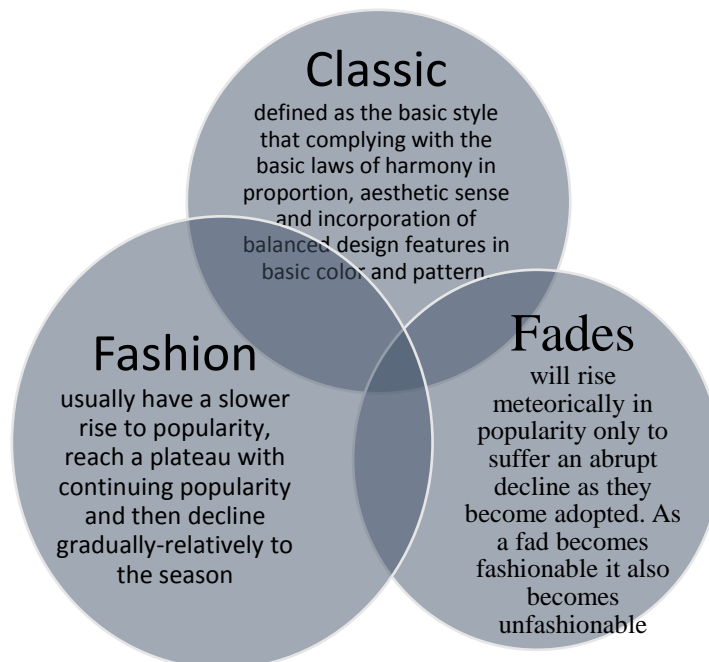


Figure (1): Fashion Products Classification

huge success in a few years in a way that worth to be studied have been very successful , have attracted a large number of consumers and could have a remarkable share in no time

And talking about the local fashion business we should mention the local fashion brands and the challenges which they are facing every day to survive in their battle under very hard economic and political circumstances

And last but not least we have another shape for the retail business which is called Department Stores which existed in the local market in Egypt till the 60's and coming back in a way could not be easily observed

Those three shapes could possibly Summarizes the fashion retail business in the world and the local market specifically; and between those three faces we would try to figure out which could be more successful under the mean circumstances in the local market such as the economic and the political Conditions, the customer behavior etc.

The success of any organization depends on its marketing strategy, which enables it to exploit all its specific resources and benefits from them to achieve the best results in Sales and Market Share. The Marketing Strategy has been developed in the recent period, especially in the field of The fashion industry, which included innovative elements such as "E-Marketing" and external coordination of the windows of the supply and the interior of the outlets, "Visual Merchandizing."

One of the most important elements of the Marketing Strategy is Marketing Mix, and how the organization controls it to reach its goals The marketing mix consists of four components: "Product", "Price", "Place" and "Promotion", which is known as the "4Ps".

"Design" is concerned with the "Product" as one of the most important elements of the marketing mix because of its role in the retail business where the need to fit the product to the tastes and needs of the consumer, which directly affects the rates of purchase. For example, "ZARA" Design is one of the reasons for its success as it is always keen to respond quickly to the views of consumers and follow the global fashion significantly.

Therefore, marketing and design are the mainstay of retail trade in the fashion industry and can be relied upon to build an effective marketing strategy in the local market.

### **1. Marketing Mix(4Ps)**

The fashion marketing mix is "the range of variables that can be controlled by the fashion marketer to meet the needs of buyers profitably". Or simply it's getting the right product to the chosen market segment at the correct time, in the right place and for the right price. (Easey - 2009)

Guided by marketing strategy, the company designs an integrated marketing mix made up of factors under its control—product, price, place, and promotion (the four Ps).

## Research Problem

Due to the inability of the local brands in the fashion industry to compete in the local market as well as the global markets in retail under the cover of the current economic and legal situation. Also the lack of most local brands to use the skills of the Marketing Mix elements to reach a Strong Marketing Strategy; Hence the research problem in terms of studying the current situation of the marketing performance of the Egyptian brands and comparing them with the international brands in the local market in order to discover the most important obstacles facing the Egyptian brands to increase their competitiveness. The research problem is summarized in the following questions:

- Are there obstacles facing Egyptian brands that limit their competitiveness in the local market?
- Does the marketing mix have an effect that increases the percentage of the organization's marketing opportunities and supports its competitiveness in the local market?

## Research Frontiers

Research is limited to studying sample groups between 18-40 years old of the Jeans Users from Multinational and Local Brands

## Hypotheses

- There are Obstacles facing Egyptian brands that limit their competitiveness in the Local Market
- The Marketing Mix has an influential role that increases the percentage of marketing opportunities for the brand and supports its competitiveness in the local market

## Aim of Work

- Identify the most important obstacles to facing local institutions to continue to compete in the domestic market in light of the current economic and legal situation
- Increasing the ability of local enterprises to compete in the local market

## Research Methodology

The Research follows the Descriptive Analytical Curriculum

## Introduction

Fashion has too many faces, the design is only the start as the fashion is conceded first of all as “Industry and Business”, As a result, fashion is taking another shape or we can say is being redirected into another zone that is called Retail Business

Fashion Retail is generally defined as the consumer goods market for clothing and accessories, which is characterized by short life cycle of the product, constant change in consumer preferences and a large number of competitors. The term began to appear at the beginning of the 19th century and has developed Large over the past centuries and especially in the last decade

Under the cover of the current economic situation and the recession of the local retail industry, their loss of a large segment of the consumers and their inability to compete in a confrontation of some international Brands located in the local markets for the past few years where Sales of Local Brands collapsed significantly while the international brands achieved a

## The Marketing Mix and its influence on the Egyptian Brands performance in the Local Market

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### Abstract

Fashion Retail is considered The most popular forms of fashion in the current era, and under the current economic situation and the recession of the local retail industry, their loss of a large segment of the consumers and their inability to compete in a confrontation of some international Brands located in the local markets for the past few years where Sales of Local Brands collapsed significantly while the international brands achieved a huge success in a few years in a way that worth to be studied have been very successful , have attracted a large number of consumers and could have a remarkable share in no time

In this study a comparison was made between two groups of the Multinational and Local brands as a group of questions regarding the Marketing Mix were put forward to a sample group and the results were collected and analyzed. And it became clear through that the marketing mix plays a role in the obstacles that faces the Local Market.

### Key Words

Marketing Mix-Egyptian Brands-Local Markets

### ملخص

تعتبر تجارة التجزئة في الموضة أكثر الأشكال شعبية في العصر الحالي، وتحت الوضع الاقتصادي الحالي وركود صناعة التجزئة المحلية، وفقدان شريحة كبيرة من المستهلكين وعدم قدرتهم على المنافسة في مواجهة بعض العلامات التجارية العالمية الموجودة في الأسواق المحلية خلال السنوات القليلة الماضية حيث انهارت مبيعات الماركات المحلية بشكل كبير بينما حققت العلامات التجارية العالمية نجاحًا كبيرًا في غضون بضع سنوات بطريقة جديدة بالدراسة، وقد اجتذبت عددًا كبيرًا من المستهلكين وأصبح لها حصة رائعة في وقت لا يذكر

في هذه الدراسة تم إجراء مقارنة بين مجموعتين من العلامات التجارية العالمية والمحلية عن طريق مجموعة من الأسئلة المتعلقة بالمزيج التسويقي تم طرحها لمجموعة عينة وتم جمع النتائج وتحليلها. وأصبح واضحًا أن المزيج التسويقي يلعب دورًا في العقبات التي تواجه الماركات المصرية في السوق المحلية.

### الكلمات المفتاحية

المزيج التسويقي-الماركات المصرية- السوق المحلي