

New factory

[Business](#), [Marketing](#)



Marketing Inserts His/Her Inserts Grade Inserts 19th December, Introduction

Saudi Arabia is a large economy that conducts imports and export trade through companies located locally and abroad. The construction industry in the country has been experiencing tremendous growth in the recent years. As a result, other industries such as the cable and electrical industries have also experienced growth. However, substandard imports from China and other regions take up around the 40% of the market in the sale of switches. The data given to us shows that some Saudi Arabian companies are doing well in the sale of switches as their market share grows. This essay is going to examine the strategies that could be used by a new company in establishing its business in the region.

Analysis In the process of establishing a manufacturing company in Saudi Arabia, the government and all other authorities have to be notified of the intention such an idea. In this case, the first approach that we have to undertake is to talk to the Ministry of Commerce on the processes that need to be followed in establishing a manufacturing concern. Based on the data provided by the Ministry of Commerce we see that the four manufacturers namely Afep, Hawa Electric Access, Saudi Switches and Shamsan Alsahepy have improved their production (Ferrell, 2010). The Ministry of Commerce has been encouraging manufacturers and other producers to establish industries in Saudi that are producers outside the oil industry. This is a good opportunity for this company to establish a manufacturing entity in the region (O'Kane, 2010). The government offers incentives to new producers investing in any industry outside the oil industry. These incentives include tax breaks, business guidance and support in terms of ease in arranging regulatory papers such

as licenses. In the process of establishing the new company, a company needs to undertake good research concerning its intended decision. In this case, making use of the council of Saudi chambers as a member will benefit the company in getting contacts needed for the new construction. The best approach to make use of by the new company would be based on SWOT analysis since it helps in achieving the goals of a new company. A new company will leverage the strength of government support for the need of new manufacturers in the areas outside the oil industry (Ali, 2009). The growing market share of locally produced switches and sockets compared to the export is a sign that the new company is going to perform well in the market. This is a factor that will make it easy for the company to set up a manufacturing plant in the energy sector. When we analyze the weaknesses that the company might face include the lack of capital and being a new entrant in the market the company might face stiff competition. However, the company might make use of its strengths to fight off competition and tackle any weaknesses (Mead, 2009). Moreover, the new company could make market its goods as high quality goods and the company should exploit this opportunity in the company. The company should exploit the opportunity that the imports of switches and sockets into Saudi are made up of fake items. From the data obtained we notice that local producers have been increasing sales to levels close to their capacity. As a result, in the process of launching a new company the stakeholders should market the company as a way of buying Saudi goods (Mead, 2009). The new company might face threats from established players in the market and from cheap imported switches and sockets from China. However, selling quality and long

lasting goods will enable the company to fight off these threats. The main marketing idea that the company could make use of is selling high quality goods that are affordable (O'Kane, 2010). Moreover, the company could come up with a campaign that encourages purchase of high quality Saudi goods. Conclusion In the process of launching a new company or manufacturing plant, a lot of research has to be undertaken to ensure certain factors are met. For instance, in this case we notice that this company will make use of SWOT analysis in the process of marketing its goods. Therefore, in the process of selling these goods, the company should come up with a campaign that encourages the purchase of Saudi goods. From the data obtained on the production and import of switches and sockets we get to know that locally produced goods have been increasing in the recent past. As a result, the establishment of the new company based on SWOT analysis will leverage on these successes and be able to sale more in the long run. References Ali, A., 2009. Business and Management Environment in Saudi Arabia: Challenges and Successes. Riyadh: Donovan Publishing. Ferrell, O. and Hartline, M., 2010. Marketing Strategy. London: Penguin Books. Mead, A., 2009. Saudi Arabia Investment and Business Guide, New York, NY: Routledge. O'Kane, M., 2010. Doing Business in Saudi Arabia. Chicago, IL: John Wiley and Sons.