

Hoodie+Abaya

HOODIYA

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NATURE OF THE PRODUCT



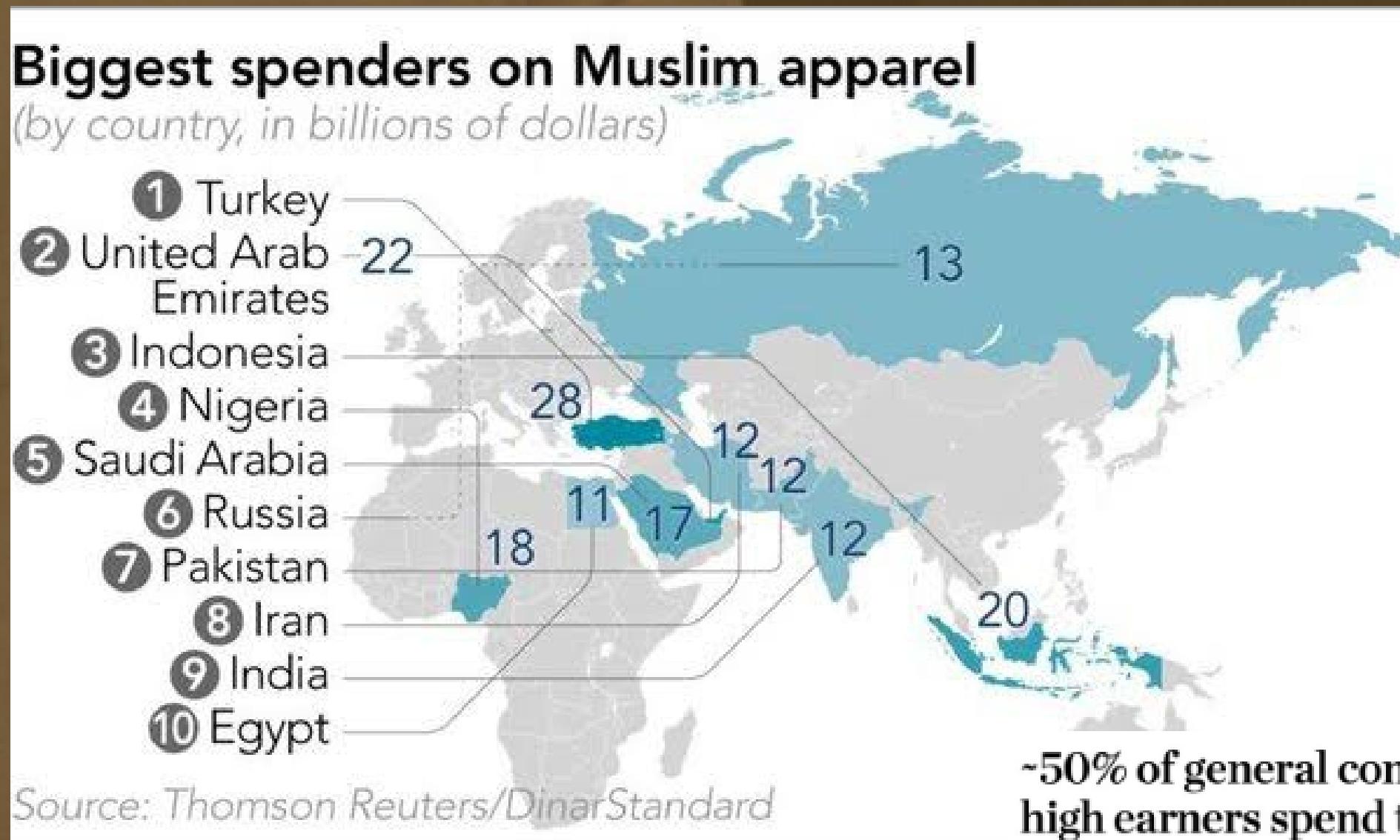
Hoodie Abayas are a unique combination of traditional Islamic attire and modern fashion elements. As you mentioned, the product is designed to appeal to all women who want to dress modestly, not just hijabi women. The abayas come in a variety of colors and designs and incorporate modern fashion elements like thrifited designs and techwear.



DECIDING WHETHER TO INTERNATIONALISE



GLOBAL DEMAND FOR MODEST APPAREL

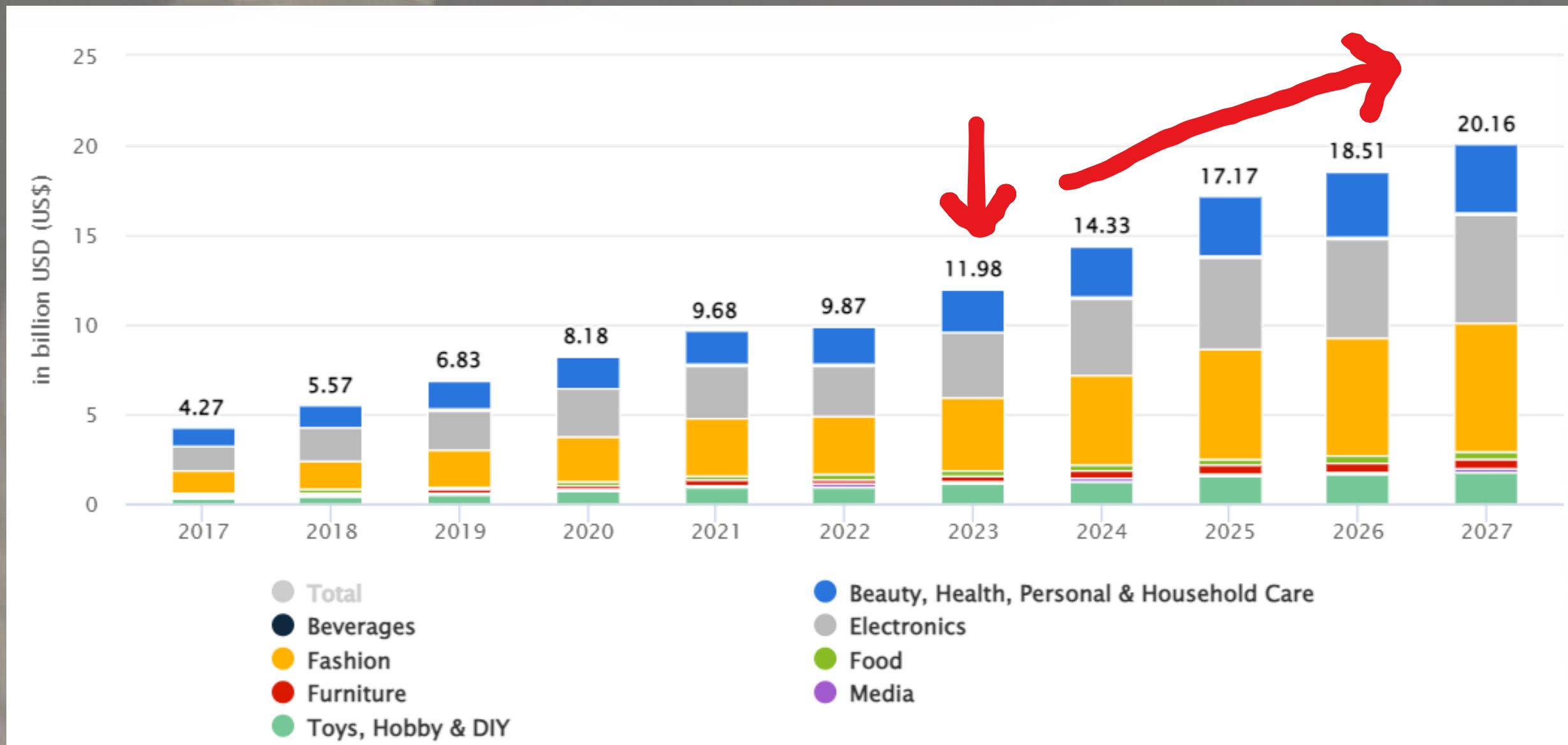


KSA is considered to be 5th on the list for biggest spending on modest apparel, unlike Turkiye, UAE, and Indonesia, most of the apparel sold in KSA is imported.

High purchasing power: Avg wage is around 16,700 SAR = \$4452 per month

-50% of general consumers spend >\$1,000 on fashion on average per year; ~30%-50% of high earners spend that much on fashion every month

EXPORTING TO SAUDI ARABIA



As can be seen, the total revenue generated by E-commerce is estimated to be 11.98 billion USD and this number is expected to increase in the coming years due to the popularity of online shopping in Saudi Arabia.

While a big chunk of it is apparel shopping.

E-Commerce total revenue generated in Saudi Arabia

Source: Statista

MARKET OPPURTUNITY

Turkiye

Market Size: 84 million people

Consumer Preference: there is a diverse range of clothing options. No strict rules by the government.

Retail Competition: The Turkish fashion industry is known for its quality and craftsmanship, which can give local brands a competitive advantage.

Saudi Arabia

Market Size: 34 million people

Consumer Preference: abaya is the most common form of modest clothing for women. Incorporate styles and designs following Islamic guidelines.

Retail Competition: International players such as H&M, Zara, and Mango

DECIDING WHICH MARKETS TO ENTER

- Local Competition
- political risks
- trade barriers
- Cultural/ psychic distance



POLITICAL RISKS



- Sanctions: The international community has imposed sanctions on KSA in the past, such as after the murder of journalist Jamal Khashoggi.

- Geopolitical tensions: situated in a volatile region and has been involved in regional conflicts, such as the ongoing conflict in Yemen
- Changes in leadership: Any instability or uncertainty surrounding the leadership could potentially affect trade policies



LOCAL COMPETITION

Rival: Major player in the fabric industry in Saudi Arabia is **Al Karam Textiles**, a leading textile manufacturer that produces a range of fabrics for both the domestic and international markets.

Current competition environment: There are also a number of smaller textile manufacturers and retailers that compete in the Saudi Arabian market. These companies differentiate themselves by focusing on niche products, such as luxury fabrics or sustainable textiles, and by offering superior customer service and support.





TRADE BARRIERS

- 01 Technical Standards and Regulations
- 02 Performance and Localization Requirements
- 03 Delayed Payments
- 04 Dispute Resolution

CULTURAL/ PSYCHIC DISTANCE

- Religion: Saudi Arabia adheres to Islamic principles and is recognized as an Islamic country, whereas Turkey is a secular nation that practices a more liberal interpretation of Islam. The variance in religious beliefs can result in diverse perspectives on societal concerns.
- Attitudes towards authority: Criticizing figures of authority is frequently not accepted in Saudi Arabia, whereas in Turkey, there exists a stronger tradition of political opposition and challenging the decisions made by those in power.
- Modesty: In Saudi Arabian society, modesty is considered a significant cultural value, particularly for women.

CULTURAL/ PSYCHIC DISTANCE

- Time Orientation: When it comes to time management, Turkey is generally more flexible in its approach than Saudi Arabia, where punctuality is highly esteemed. This disparity in attitudes toward time can result in differences in how business meetings and other events are planned and executed.
- Gender roles: Gender roles are more rigidly defined in Saudi Arabia, with women having fewer rights and opportunities and being expected to adhere to a specific code of conduct in public. Conversely, women in Turkey enjoy greater freedom and equality.



DECIDING HOW TO ENTER FOREIGN MARKETS

SIZE OF THE MARKET/SEGMENTS



Saudi Arabia has a large market for modest clothing, and the abaya is a staple item in the country. The potential market for your hoodie abayas is significant as they cater to a broader audience beyond hijabi women. It's essential to segment the market by demographics, such as age, income, and location, to determine the most profitable target market segments.



The Saudi Arabia apparel market size was \$20 billion in 2021

BEHAVIOR OF POTENTIAL INTERMEDIARIES

We need to work with intermediaries, such as local retailers or distributors, to enter the Saudi Arabian market. It's crucial to understand their behavior, such as their willingness to promote and sell new products, their preferred business practices, and the negotiation process. We should also identify potential intermediaries, evaluate their credibility and reliability, and develop a good working relationship with them.



BEHAVIOR OF LOCAL COMPETITION

It's essential to research and understand the behavior of local competition, such as their product offerings, pricing strategies, and marketing tactics. By doing so, you can differentiate your product from the competition and develop a competitive advantage. It's also important to identify any potential legal or regulatory barriers to entry.



Hoodiya



TRANSPORT COSTS



Transport costs are a critical consideration when exporting products to another country. Since you are producing your Abayas in Turkey, we will need to evaluate the transportation costs involved in shipping them to Saudi Arabia. We will need to consider factors such as the cost of shipping, taxes, tariffs, and insurance.

Air Freight:

For a shipment of 1,000 kg of clothing, the estimated air freight cost from Istanbul, Turkey to Riyadh, Saudi Arabia is approximately \$3,500 to \$4,500, depending on the airline, type of service, and other factors.



Sea Freight:

For a shipment of a 20-foot container (about 28 cubic meters) of clothing, the estimated sea freight cost from Istanbul, Turkey to Jeddah, Saudi Arabia is approximately \$1,500 to \$2,500, depending on the shipping line, type of service, and other factors



GOVERNMENT REQUIREMENTS

A Import permits: For clothing in Saudi Arabia are required to ensure compliance with local regulations and to protect the domestic market. The permits can be obtained through the Saudi Arabian government's online import licensing system.

B Product labeling: Labels must be in Arabic and include information such as the product's origin, manufacturer, and fabric composition. Failure to comply with labeling requirements can result in delays or rejection of the shipment at the border.

C Product conformity: Imported clothing must meet the country's technical regulations and standards, including those related to health and safety, quality, and environmental protection. Importers are required to obtain a Certificate of Conformity from an approved third-party conformity assessment body before the product can be cleared through customs.

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Customs clearance: Imported clothing must meet the country's technical regulations and standards, including those related to health and safety, quality, and environmental protection. Importers are required to obtain a Certificate of Conformity from an approved third-party conformity assessment body before the product can be cleared through customs.

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Traffis and taxes: Saudi Arabia's Zakat, the tax and customs authority, requires importers to present a commercial invoice, a bill of lading, and a certificate of origin to import goods into Saudi Arabia. The importer is also required to present additional documents for certain imports. Additionally, importers of fashion products intended for sale in Saudi Arabia are required to obtain a Product Certificate of Conformity (PCoC) from a SASO-approved Conformity Assessment Body (CB) before the shipment will be able to clear customs.





IMPLEMENTING AND CONTROLLING THE GLOBAL MARKETING PROGRAM

Negotiating styles in different cultures: In Saudi Arabian culture, building relationships and trust is important before conducting business. It's common for negotiations to be lengthy and for personal connections to be established. It's important to be patient and respectful when negotiating with Saudi Arabian counterparts.

Sales by product line, sales force customer type, and country/region: To maximize sales in Saudi Arabia, it's important to understand the market segments and target them accordingly. Sales can be tracked by product line, sales force, customer type, and region to identify the most profitable areas. It may also be beneficial to have a dedicated sales team for Saudi Arabia to better cater to local preferences and customs.



Contributing margins: As the hoodie Abayas are targeted towards a market with high demand in Saudi Arabia, the margins could potentially be high. However, it's important to factor in the costs of manufacturing, exporting, and complying with government regulations. The incorporation of modern designs and colors could potentially increase the product's appeal and contribute to higher margins.

Marketing expenses per market: Marketing expenses in Saudi Arabia could potentially include market research, advertising, and promotions. It's important to tailor the marketing strategy to local preferences and customs. Social media marketing may be an effective approach, as social media usage is high in Saudi Arabia. Additionally, partnering with local influencers or fashion bloggers could potentially increase brand awareness and credibility.



IMPLEMENTING AND CONTROLLING THE GLOBAL MARKETING PROGRAMME

Market research

Market screening

Market assessment

SWOT analysis

Market entry strategy

Financial Analysis

Risk Assessment

Selection and
Prioritization

Market Entry Plan

Implementation and
Evaluation

DESIGNING THE GLOBAL MARKETING

Buyer Behaviour

- Most of the teenagers in KSA prefer trendy yet modest attire.
- Trust and relationship
- Branding and quality

Competitive Practice

- Trend setters
- Product variety and uniqueness
- Marketing



Available Distribution Channel

- Internet Sale (Website)
- Wholesale (within Turkey)

Media and Promotional Channels

- Social Media (Facebook, Instagram, TikTok)
- Internet Adds (Youtube Ads, Google Ads, Fb Ads)
- Outdoor Advertisements



SHIPPING OF THE PRODUCT

- Express shipping is quickly and affordable compared to others
- delivers products with 2 working days
- the shipping cost of the products is based on the weight
- up to half a kilo, the cost is 710 turkish liras.
- a box weighing 1 kilo is 774 turkish liras.
- after 30 kilos, special pricing



PARTNERSHIPS & JOINT VENTURES

Networking and Industry Events: Attend trade shows, exhibitions, and fashion events in KSA to network and connect with potential partners.

Direct Outreach: Reach out to potential partners directly through email, phone calls, or in-person meetings.

Pilot Project: Consider starting with a testing project to check market demand. This includes a limited-scale export of hoodie abayas to KSA, closely monitoring the response and gathering feedback. Based on the response, approach can be refined.



TURKISH MANUFACTURERS AND SUPPLIERS

To find the right domestic suppliers, the following steps will taken

1. Conduct supplier research: specializing in garment manufacturing, particularly in the production of abayas.
2. Requesting samples and quotes
3. Comparing costs and quality
4. Negotiate
5. Visit manufacturing facilities
6. Trial order
7. Long-term partnership



EXPORT MODES FOR KSA MARKET

Direct Export

In the KSA market, the exporter offers goods directly to consumers or importers. This may be accomplished through a variety of ways, including direct sales teams, internet sales, and opening a local stores.

Indirect Export

Exporters can collaborate with Saudi Arabian agents, distributors, or trade firms that have established networks and market expertise.

E-Commerce

The freedom this mode offers in terms of product offerings, marketing tactics, and customer contacts makes it possible for a direct and regulated sales channel.

Licensing Franchising

This business model enables the transfer of intellectual property and brand awareness to local businesses while paying royalties or franchise fees to the exporter.

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